Vol. XXII

TRANSCRIPT OF RECORD

(Pages 13961 to 14346)

Supreme Court of the United States

OCTOBER TERM, [redacted] 1944

No. [redacted] 2-11

HARTFORD-EMPIRE COMPANY, F. GOODWIN SMITH, BARTLETT ARKELL, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

No. 6

CORNING GLASS WORKS, EMPIRE MACHINE COMPANY, ALEXANDER D. FALCK, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

No. 9

OWENS-ILLINOIS GLASS COMPANY, WILLIAM E. LEVIS, E. F. MARTIN, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

No. 10

HAZEL-ATLAS GLASS COMPANY, J. HARRISON McNASH, WALTER H. McCLURE, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

No. 11

THATCHER MANUFACTURING COMPANY, H. C. MANDEVILLE, H. W. NIVER, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

[TITLES CONTINUED ON OTHER SIDE]

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF OHIO

FILED FEBRUARY 13, 1943.

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1943

No. 7

HARTFORD-EMPIRE COMPANY, F. GOODWIN SMITH, BARTLETT ARKELL, ET AL., APPELLANTS,

vs.

THE UNITED STATES OF AMERICA

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JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., APRIL 29, 1943

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THE UNITED STATES OF AMERICA

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THE UNITED STATES OF AMERICA

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AS CONDITIONS ARE CONTINGENT UPON STRIKES, ACCIDENTS OR OTHER CAUSES BEYOND OUR CONTROL. QUOTATIONS SUBJECT TO CHANGE WITHOUT NOTICE

HOCKING GLASS BOTTLE COMPANY

BOTTLE MANUFACTURERS

[illegible]

FACTORIES (RINGY, PA / WILCOX, PA / GREENFIELD, OHIO / MARIENVILLE, PA / PARKERS LANDING, PA)

JAMES MORRISON
738 NICHOLAS BUILDING
TOLEDO, OHIO

Toledo, Ohio, November 9, 1931.

Mr. I. J. Collins,
Hocking Glass Company,
Lancaster, Ohio.

My dear Mr. Collins:

It has occurred to me that it might be worth while, in view of the various currents in the bottle industry, to analyze the situation, with a view to putting the industry on a more sound basis.

To get a normal perspective, it is well to record the history of the industry for the past thirty years.

HOCKING GLASS BOTTLE COMPANY

BOTTLE MANUFACTURERS

[redacted]

FACTORIES (KNOX, PA. WILCOX, PA. SHEFFIELD, O. HA. MARIENVILLE, PA. PARKERS LANDING, PA.

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To get a normal perspective, it is well to record the history of the industry for the past thirty years.

Prior to nineteen hundred, it was one hundred per cent on a hand basis. Very small capital was required and every natural gas discovery was followed by an epidemic of new factories and changes in location by older ones, in order to benefit by cheap fuel.

About nineteen hundred two very important things began to happen. Gas discoveries in the more densely populated parts of the country - in other words east of the Mississippi - became a thing of the past, and the machine making of bottles began.

In consequence of these changes, plants became more fixed in their location and the capital necessary to enter the business became very much greater. As a result, there has not been in recent years, the same activity in opening new factories that existed prior to nineteen hundred, and it is doubtful whether a like activity will again occur, because of the change in conditions.

While the movement towards the machine making of bottles started earlier, the invention of the Owens machine, followed by the organization of The Owens Bottle Company, marks the time that the evolution from ancient methods to the machine method began.

The Owens Machine was not only profitable to its owners and its licensees, but it also brought to the industry the idea of larger organizations. This [redacted] mental attitude has been enhanced by the development of [redacted] ing glass method of making bottles, which produces [redacted]

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self to be in many respects superior to the Owens or vacuum method. Most - in fact nearly all of the going bottle companies today, aside from the major ones, are carry-overs from the hand-blown days, which are having a rather difficult time to keep going, but which hang on seemingly because they cannot see a way out.

There is a peculiar fact about a glass factory that once it is started, its roots get into the soil and fire, floods or bankruptcy will not eradicate them. Any or all of these things may occur, but a new plant or a new group of capital takes its place to run the same course. Any hope that these non-economic, non-profitable plants will die out, if left alone, is not justified by the experience of the past.

If the Owens-Illinois Glass Company, the Hazel-Atlas Glass Company, and possibly the Ball Bros. Glass Company are eliminated, the above is a brief and not a very bright picture of the industry, made up as it is of weak and inefficient factors.

If we are to give thought to the future of the industry, it may be well at this point to consider the Glass Container Association and the part it can play in its rehabilitation. It will justify itself and be worth all it costs, if it does nothing more than bring to all in the industry, both majors and minors, an understanding and an acceptance of the Stephenson principle, ie: that when an industry is over-organized and can produce more than can be consumed, each must find and work only to that volume which is their just share of the going business. But aside from this, it cannot do much, if anything, to lift the industry from the bog it is in.

The General Glass Corporation has a purpose in connection with which it is feeling its way. The aim, if successful, will lift the industry from the bog it is in and be profitable to all concerned.

Leaving aside the Owens-Illinois Glass Company, The Hazel-Atlas Glass Company and Ball Bros. Glass Company, the industry is made up of the following, anyone of which is a potential disturbance factor:

American Glass Works, Inc., Paden City, W. Va. Two tanks.
Remarks - A small concern of dubious reputation.

Brockway Machine Bottle Co., Brockway, Pa. Two tanks.
Remarks - Good manufacture, well managed and very ambitious.

Buck Glass Company, Baltimore, Md.
Remarks - Good manufacture. Business almost entirely in Maryland.

Capstan Glass Co., Connelsville, Pa.
Remarks - Good manufacture. An important factor, especially in Packers' ware.

Salem Glass Works, Salem, N. J.
Remarks - Makes a miscellaneous line in flint, blue and amber colors. Has been a troublesome factor. Seems to have good management.

Standard Glass Co., Marion, Ind.
Remarks - In the era of hand blowing, was a leading [redacted] and has not made any [redacted]

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machine age. Makes quite a few prescriptions, mostly for the Mutual Wholesale Drug Company, of Cleveland, and Chicago. Makes also a general line of narrow neck bottles and flasks.

Sterling Glass Company, Lapel, Ind.
Remarks - Owned by Thompson Taylor Spice Company, and officers thereof. Makes panels, as well as a miscellaneous line of narrow neck bottles.

Pierce Glass Company, Port Alleghany, Pa.
Remarks - Owned by Mott Pierce - head of Pierce Medicine concern, of Buffalo. Has operated for years making bottles for Pierce Remedies. Also has some of the leading bottle accounts, such as Kilmers Swamp Root Company,etc.

W. T. Rawleigh Co., Freeport, Ill.
Remarks - The above is a very large user of bottles, which it makes at this plant and in addition reaches out for other business. It has not been much of a disturbance so far, but has a large possibility in this connection.

Reed Glass Company, Rochester, N. Y.
Remarks - One of the old and somewhat successful concerns. Makes beverages and a general line in flint and amber colors.

Root Glass Co., Terre Haute, Ind.
Remarks - An old and very well managed concern. The principal output has been beverages, particularly Coco-Cola bottles, but is showing a strong tendency for other lines.

Maryland Glass Corp., Baltimore, Md.
Remarks - A subsidiary of the Emerson Organization. Largest makers of blue glass; also make a general line in flint.

Obear-Nestor Glass Co., St. Louis, Mo.
Remarks - Has had a successful career, due to strong personality of Mr. Joseph Nestor. Second generation not very promising. Business mostly in St. Louis, Kansas City and southwest.

Olean Glass Co., Olean, N. Y.
Remarks - An old establishment. Never made profit. A very disturbing element. Cannot succeed, but will make trouble.

Peerless Glass Co., Long Island City.
Remarks - Mostly milks, but also take on other lines. Always have been a disturbing element.

Glenshaw Glass Co., Glenshaw, Pa.
Remarks - A varied line, mostly beverages and packers bottles. Have had trouble through making illicit bottles. Well located for Pittsburgh and vicinity.

J.T. & A. Hamilton Co., Pittsburgh, Pa.
Remarks - One of the oldest houses, but has not progressed. Present operators well advanced in years, without good personnel to follow up.

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Mr. May.

Knox Glass Bottle Co., Knox, Pa.
Remarks - A growing organization with a strong head in the person of Mr.R. R. Underwood.

Laurens Glass Works, Laurens, S. C.
Remarks - Mostly beverage bottles, but showing a tendency to get into general lines.

Fairmount Glass Works, Indianapolis, Ind.
Remarks - An old concern with a good reputation for quality of product, and for service. Make a general line in flint and amber glass. Mr. Rau has not shown any proper conception of his relation to the industry. Has ever been a disturbing element.

Florida Glass Co., Jacksonville, Fla.
Remarks - A very small concern, making a poor product and limiting sales to Florida and adjacent territory.

Foster-Forbes Glass Co., Marion, Ind.
Remarks - A very fine concern, compact and well managed.

Gaynor Glass Co., Salem, N. J.
Remarks - Green glass, large size containers main output.

Carr-Lowery Glass Company, Baltimore, Md.
Remarks - High grade perfume ware, with hand and machine made make. Some bottles in the general line. Personnel is good but experience confined largely to a limited line.

Chattanooga Glass Co., Chattanooga, Tenn.
Remarks - A good concern with a good record; mostly beverage bottles, although showing a disposition to get into other lines. Probably would do so in a firm and advancing market. Well located with respect to southern market.

Cunningham Glass Co., Pittsburgh, Pa.
Remarks - Mostly beverage bottles. Shows some disposition to get into general line and might try to do so, if conditions favored.

Diamond Glass Co., Royersford, Pa.
Remarks - An in and out operator. Would probably take advantage of improved conditions and therefore be a disturbing element.

Swindell Bros., Baltimore, Md.
Remarks - An old concern which has always specified in high grade perfumes. In recent years has been more active than formerly in the general line.

Tygart Valley Glass Co., Washington, Pa.
Remarks - Principally preservers ware, in which field they are quite active and somewhat successful.

Whitall-Tatum Company, Millville, N. J.
Remarks - An old time concern, which has always enjoyed a very good reputation. Their manufacturing and selling

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of bottles has been so mingled with other things, such as hospital supplies and sundries, that it is hard to separate their bottle business from their other business. Their personnel is high class, but effective only when considered in connection with their particular business.

I have left out of the above enumeration, several organizations because they do not seem to fit into the picture on account of their specialized lines, or possibly because of their locations.

It is difficult to classify those engaged in the business in a way that would clearly indicate the part that each plays in the industry. Size is not a proper yardstick, because some large companies do pursue - at times at least - destructive policies.

I think I can better get my mental picture to you by laying a foundation based upon the can industry. The can industry can be regarded as having in it all the factors that exist in the bottle business. It is a highly mechanical industry, as is bottle making. About the same amount of financial investment is needed, to give an economic out-put.

It is well within my recollection, running back not over twenty years, when the can industry was in a demoralized state. The industry was made up of innumereble small institutions, none of which were giving an adequate service to the users of cans, and none of which were making money. About twenty years ago was organized the American Can Company, which took in as many makers of cans as the law would permit. In fact they were cited by the Federal Trade Commission and have been for some years working under a Good Behavior order. But for years they did not make any money; in fact it was looked upon for a time as a failure, and its stock was quoted as low as $5.00 per share, with a par of $100 per share. Its position in the industry at that time can be likened to the position of the Owens-Illinois Glass Company at this time, with the exception that the O-I Company has made money, but is rapidly running into a period where it will not.

The American Can Company saved itself by encouraging the organization of a competing consolidation and this developed the Continental Can Company, which took in as many of the remaining independent can manufecturers as it could obtain. The history of the can business since the Continental Can Company got under way has been that both the American Company and the Continental Can Company have made big earnings; in fact during present low earning period their profits have been increasing. These two companies, through their cooperation and through their research work, have given to the users of cans better service, better quality and better prices than they formerly had and both organizations are looked upon with great favor by the Government and by the users of cans throughout the country.

I have given you this picture of the can business, because I think I see a similar situation developing in the bottle business, although possibly there may be three or more large factors in it, instead of two, as in the can business.

The Owens-Illinois Glass Company has gone as far as the Law will permit it to go in the matter of acquiring competing businesses. It may be permitted to acquire other properties, where the competitive factor does not largely enter, such as they did in the case of milk bottles. They might extend this, if any were to be available, into opal glass, blue or special colors, although the latter is somewhat doubtful.

In the bottle industry, it would appear that ultimately there will be three, possibly four, major organizations.

The Owens-Illinois Glass Company is and will continue to be one of these. The Hazel-Atlas Glass Company is and will continue to be a strong organization, although it has shown little tendency towards acquiring other properties. Some years ago they took over the Kearns-Gorsuch Glass Company, at Zanesville, Ohio, and later the Hygeia Bottle Company, in New York State, but in each of these cases there was a specific reason apparently aside from any intention on their part to assume a larger position in the industry. It was protective, rather than promotive.

Ball Bros. are an enigma. They have shown a disposition at different times to merge with the Illinois Glass Company, and also with the Hazel-Atlas Glass Company, but neither effort was successful, due apparently to the difficulties associated with doing any kind of business with the Ball Brothers. They have had a very profitable experience this season in their specialty - mason fruit jars, which may make them even more difficult with which to do business. If the history of the past is any criterion, it cannot be expected that this experience will repeat itself for several years. This fact, I am sure, is well known to Ball Brothers and this may incline them to be more active in other lines than they have heretofore been.

In the grouping above are quite a number of smaller companies, such as Hart Glass Company, Foster-Forbes Glass Company, and others that might be mentioned, that are strong within themselves and which would follow in a constructive way, any developments in the industry. There are, however, quite a number among the smaller that will have to be taken into some Grouping, because of their inability to grasp an understanding of the industry's needs, or to act constructively, even if they did understand them.

There are others, such as Whitall-Tatum Company and Obear-Nestor Company, which - because of the peculiar ramifications of their business, or because of their peculiar personnel, will be very difficult to fit into any grouping.

Summing the whole situation up, there is just enough of what might be called water-logged organizations, most of which are among the lesser companies, which can be acquired, but some of which are in the larger category, which may be difficult with which to do anything.

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Summing the situation up it would seem to be a very favorable time for the General Glass Corporation to step actively into the situation in a way that gives every promise of a profitable undertaking. The weaker factors in the industry are just now at their lowest level. There are indications of a better trend of business and if they sense an improvement it may not be so easy to deal with them.

There can be no worth while betterment in the industry until this situation is met and dealt with and you are in position to do this and with profit to the General Glass Corporation.

It would not be my idea that success be built upon higher prices; except where that be necessarry to make some lines that now are sold at a loss produce a profit: but through economies which are now impossible because of uneconomic operations and uneconomic locations.

Yours very truly.

James Morrison

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GOVERNMENT EXHIBIT No. 1383

HAZEL-ATLAS GLASS COMPANY

GLASS WARE

WHEELING, W. VA. April 13, 1934

J. S. ALGEO
SALES MANAGER

Mr. E.C.Ackerman,
Glass Container Ass'n.,
19 West 44th Street,
New York,N.Y.

Dear Sir:

Bert Nobel, of Tygart Valley, told me yesterday that he heard that Glickstein & Terner had taken over Olean. Do you know anything about this? Olean, operated by the present wrecking crew, is bad enough; but I hate to think what will happen when full-fledged pirates, with Captain Kidd at their head, get in control.

Yours very truly,

JSA:MKL

Lehman 59

[fols. 60923-60924] GOVERNMENT EXHIBIT No. 1384

April 28, 1934.

Mr. J. S. Algeo, Hazel Atlas Glass Company, Wheeling, West Va.

DEAR JOHN:

I have been trying to find out some details on the rumor you sent me regarding Glickstein & Turner's taking over the Olean Glass Company.

I talked to Dugan yesterday, and he told me that there is absolutely nothing to this rumor. I rather gathered from his conversation, however, that there had been some negotiations, but that Glickstein & Turner had no funds to put into the Olean Company, and therefore no deal was consummated.

Very truly yours, —— ——.

EGA:MM.

Form 112-L

GOVERNMENT EXHIBIT No. 1386

OWENS-ILLINOIS GLASS COMPANY

INTRA-COMPANY CORRESPONDENCE

General Offices - Toledo, Ohio

January 20, 1938

Attention of MR. WM. E. LEVIS - TOLEDO

Subject GLASS CONTAINER ASSOCIATION
SELLING PRICE AND COST TREND STATISTICS

I CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL IN THE FILES OR RECORDS OF THIS COMPANY.
E. F. MARTIN
Asst. Secy. & Asst. Treas.
OWENS-ILLINOIS GLASS COMPANY

Dear Mr. Levis:

We return your letter from Mr. Ackerman, dated January 18th, together with the form which he requested us to fill out showing the trends of unit prices and costs during the last four, six month periods.

We have inserted the top three figures in each column, it being necessary to have to give figures for only five months in the last column because December statistics are not yet available.

The other data which he requests on the form covering Manufacturing Cost, Selling Expense, Administrative and Overhead, are not available for several reasons.

1. He requests Total Manufacturing Cost, including Package Cost, Shipping Expense and other items which are handled as Cost of Sales items. We have the cost information regarding bottles compiled on the basis of what was produced, but our information regarding Packages, Fittings, Shipping Expense, Royalty Cost Adjustments and Property Losses are based on quantity sold rather than quantity produced, and the data on the quantity produced basis is not available. We do not compile it anywhere in our figures.

2. We assume that his item of Administrative and Overhead Expense is designed to cover what we class as Administrative Expense, Legal Expense, Development and Experimental Expense, Idle Plant Expense, and Deductions from Gross Income, less the figures which we class as Other Income. We are not in position to give this data in proper comparative form for the twenty-four month period because of the extensive reclassification of expenses which we made on January 1,1937, when we set up our Holding Company accounting separate from the Glass Container Division. During 1936 they were combined and this would throw our figures off.

3. In the Manufacturing Cost, Selling Expense and Administrative and Overhead figures which he requests, we assume that he would want only those costs and expenses applicable to bottle sales. We manufacture and sell a variety of other products, as you know, and it would be an almost endless task to attempt to isolate the strictly bottle expenses of this nature.

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4. It is our thought that if we had available the cost and expense information which he requests, the Average Cost Per Unit in the respective half year periods would not reflect the upward trend which he anticipates, for the reason that during this period of increasing labor costs, we were offsetting our cost increases by the tremendous increase in activity which, in our case, more than offset our cost increases.

In other words, our unit costs were no higher on the average during 1937 than they had been in 1936. It seems to me that he will have this factor of activity to consider in any figures which he accumulates, and he may have to attempt to get this data on a Normal Activity basis.

We are sure that you are sympathetic with his needs in this matter, and in the hope that it will be helpful to you in discussing it with him, we would like to give you the following information which was prepared on a slightly different basis and given to Mr. Hirth, of our Legal Department, within the last few days:

AVERAGE SELLING PRICE AND COST TRENDS

Year	Avge. Selling Price per Gross	Avge. Selling Price per Cwt.	Average Cost per Gross	Average Cost per Cwt.	Avge. Weight per Gross Manufactured
1929	$3.334	$3.589	$2.658	$2.81	92.9#
1930	3.049	3.199	2.576	2.70	95.3
1931	2.936	3.116	2.364	2.52	93.9
1932	2.711	2.857	2.219	2.34	94.9
1933	2.615	2.589	1.932	1.91	101.0
1934	2.921	2.892	2.273	2.25	101.0
1935	2.987	2.934	2.303	2.26	101.8
1936	2.915	2.825	2.185	2.12	103.2
1937*	3.011	3.002	2.208	2.20	100.3

(*) 12 Months Ended 11/30/37

The above data represents the figures which we have used in applying the Selling Price and Cost curves on the little chart which we carry in the Grayback. The figures which are used are based entirely upon sales of glassware direct from our major bottle producing plants. They exclude Chicago Heights, Jobbing Sales, Warehouse Sales, Empty Package Sales, Cap Sales and Consignment Sales, and for this reason probably give the best trend picture that we could present. The Selling Price figures are Net, after deducting Freight.

The Cost figures include all Manufacturing Costs, i.e. Bottle, Package, Shipping, Royalty, etc., but do not include Selling and General Administrative Expense.

1397

MR. WM. E. LEVIS#3 #3 1/20. 60927=
60928

As our activity has declined in recent months our Unit Costs have risen and doubtless, will rise further. In order to show the most recent trend available, we have prepared the following data covering the months of September, October and November 1937:

	Avge. Selling Price per Gross	Avge. Selling Price per Cwt.	Average Cost per Gross	Average Cost per Cwt.	Avge. Weight per Gross Manufactured
1937					
September	$3.107	$3.134	$2.323	$2.344	98.8#
October	3.065	3.163	2.338	2.413	98.5
November	3.147	3.132	2.478	2.466	98.7

LABOR RATE INCREASES

Our principal element of cost increase has been in labor rates. Our Manufacturing Control Division recently compiled the following schedule giving Average Hourly Rates, both including and excluding bonus during the last six years:

Year	Total Avge. Hrly. Rate incl. Bonus	Hourly Base Rate	% Increase Over Total 1932 Rate	% Increase Over 1932 Base Rate
1932	$0.423	$0.412	-	-
1933	.447	.432	5.7%	2.1%
1934	.557	.530	31.8	28.6
1935	.573	.541	35.6	31.3
1936	.597	.554	41.2	34.4
1937	.735	.664	69.5	61.2

To get a better conception of the influence of the increased rates the Manufacturing Control Division has estimated that during 1937 we paid approximately $5,150,000.00 more in wages than we would have paid were we operating on 1932 wage rate levels. This figure represents nearly 8% of Container Division sales in 1937.

We hope the above data covers your immediate needs but will be glad to go further with this study as soon as we are informed of your desires.

Very truly yours,

C.R.Megowen
Comptroller

C.R.Megowen
EMA

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13973

GOVERNMENT EXHIBIT No. 1388

Thatcher Manufacturing Company

Superior Quality Milk Bottles

BRANCHES
PHILADELPHIA NEW YORK CHICAGO
BOSTON

FACTORIES
STREATOR, ILL. ELMIRA, N.Y. LOCKPORT N.Y.
LONG ISLAND CITY, N.Y. DUNKIRK, N.Y.

MAIN OFFICE
ELMIRA, N.Y.

February 14, 1939.

Mr. Victor L. Hall,
% Glass Container Assn.,
19 West 44th St.,
New York, N. Y.

Dear Mr. Hall:

You will recall that you asked me for a copy of our price lists for as far back as we have and I am enclosing the set-up beginning with January 1st, 1918. I believe this shows all of the changes from that date up to the present time.

Yours truly

THATCHER MANUFACTURING COMPANY
By- J. F. Gilbert
Assistant Secretary.

FLC.R

ALL CONTRACTS SUBJECT TO ACCIDENTS, FIRES, STRIKES OR CAUSES BEYOND OUR CONTROL.

60929

GOVERNMENT EXHIBIT No. 1389

GLASS CONTAINER ASSOCIATION
OF AMERICA
West Coast Group
525 MARKET STREET
SAN FRANCISCO
DOuglas 3757

See What You Buy—Buy In Glass

24

March 3, 1939.

Mr. Victor L. Hall,
Glass Container Association of America,
19 West 44th St.,
New York City, N. Y.

Dear Mr. Hall:

At Mr. Kimball's request I am sending you by Railway Express tonight a copy of the Owens Illinois' price lists which have been on file in this office. The new pages received todate, noting price changes, have been inserted.

In the same package I am enclosing a copy of our 1938 Summary of Statistics, which we have just completed.

Yours very truly,

Corinne W.
McConnell

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GOVERNMENT EXHIBIT No. 1487

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BROCKWAY GLASS COMPANY, INC.

Manufacturers of Glass Containers

BROCKWAY, PA.

June Sixth, 1 9 3 9.

Mr. Roger Eldred,
Hartford-Empire Company,
Hartford, Conn.

Case No. 4426 Civ.
U. S. A. v Hartford et al
GOVERNMENT EXHIBIT
No. [redacted]

Dear Mr. Eldred:

Case No. 4426 Civ.
U. S. A. v Hartford et al
GOVERNMENT EXHIBIT
No. 1487

I am desirous of confirming a rumor I have heard, to the effect that your company has recently extended a license to Swindell Brothers, to manufacture catsup bottles. I can hardly believe this is true, knowing the position you have taken with our company, relative to an extended license agreement.

We will await with much interest, your reply.

Yours very truly,

BROCKWAY GLASS COMPANY, INC.

G. A. Mengle

Vice Pres. & Gen. Sales Mgr.

GAM:MLC

Rec'd Swindell 3/20/39

Talked to Mr. Warren about this at Brockway June 13 —

6-8-39 60931

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[fol. 60932] GOVERNMENT EXHIBIT No. 1488

March 15, 1934.

Economics Research Dept.

Hartford-Empire Company

Executive Planning Committee

* * * * * * *

Economics Survey—Glass Container Industry

in relation to

H-E Company Future Policy

* * * * * * *

This report has been prepared in pursuance of Mr. F. G. Smith's announcement on February 15 that recommendations relating to future policy should be submitted to the committee by April 1.

[fol. 60933] Foreword

1. The glass container industry comprises 35 concerns producing between 25 and 30 million gross of containers per year.

2. The H-E Company is an organization owning and controlling important patents relating to the automatic feeding of glass, and is licensor of a well-engineered feeder which over a period of years has become well established in the industry.

3. The combination of patent control and a well-engineered feeder has resulted in approximately 70-75% of the total production of glass containers being controlled by the H-E Company.

4. In addition to its control of glass feeding, the H-E Company controls important patents and inventions relating to glass melting, forming and annealing.

* * * * * * *

From an economics analysis standpoint, the H-E Company control of glass feeding can be considered a monopoly, and corporate policy is primarily concerned with—

(a) Maintaining this monopoly for the full term of its basic patents

(b) Perpetuating the monopoly by new developments.

The execution of this corporate policy can be conveniently divided into three major functional divisions—

Financial (investment) division
Licensee service division.
New development division.

[fol. 60934] Financial (Investment) Division

1. Fundamental to the consideration of Hartford's future activities is of course the question of financial policy.

2. Based on a yearly production of 20,000,000 gross of containers by Hartford licensees, the income to Hartford would be in the order of $2,500,000. This income is assured, providing the status quo of monopoly is maintained.

3. The present monopoly has a potential life of 10 years, or until 1944 when certain basic patents expire. It is conceivable that this monopoly can be demolished at any time, or at least seriously weakened by the introduction on someone's part, uncontrolled by Hartford, of a device capable of producing the same result as the feeder.

Protection of the Monopoly

1. It follows that Hartford must be constantly vigilant in the protection of its monopoly by—

(a) Efficient licensee servicing
(b) Research and development.

The cost of this represents a fixed charge or expense in the form of engineering and scientific organization complemented by patent and economic services.

2. Protection of the monopoly as a matter of investment is obviously a problem of prime importance in that if the investment is too large, it will reduce net income from the monopoly, thus reducing the amount available for enlarging surplus.

3. The inherent nature of a patent monopoly is that its life is specifically limited, although its liquidation can be

gradual depending upon the character and significance of its supporting "improvement" patents.

This time limit characteristic of patent monopoly emphasizes the importance of creating the largest possible surplus—subject only to the primary investment of income in protecting the monopoly itself.

[fol. 60935] 4. Investment as a fixed expense out of income in protecting the monopoly can result subject to adequate direction, research, and development facilities in—

(a) The most efficient use of the component ..... comprising the monopoly, thus making its obsolescence more difficult.

(b) The discovery of new ways and means of accomplishing the same or improved result either at the same cost or at less cost.

Perpetuating the Monopoly

1. Excepting insofar as "improvement" patents permit a gradual liquidation of the original monopoly, its perpetuation at the same rate of income or within reasonable limits depends upon its obsolescence by the discovery of new ways and means of accomplishing the same or improved result at a total saving equal to, say, three times the royalty rate covering the original monopoly.

[fol. 60936] GOVERNMENT EXHIBIT No. 1490

Toledo, Ohio, Jan. 7, 1936.

Mr. R. M. Eldred, Hartford-Empire Co., Hartford, Conn.

DEAR MR. ELDRED:

Many thanks for your letter.

Again the Glass Bottle Factory to be erected in Detroit has been brought to notice. But, this time, while in general the same line of talk brought out the same points of interest as was the cases in the previous times that this thing, of a factory in Detroit, was agitated, the method of having the scheme appear favorable has been, let us say, considerably expanded.

I was told that you had been written to about this attempt so no doubt you know some of the particulars.

Was asked to come to the office of Mr. Geo. E. Day, an attorney with offices in the David Stott Building Detroit. Conversation was started by talking of Glass factories in general and letting him get a little of the history of my glass-factory connections, including the fact that I was at present connected with Hartford-Empire Co.

The plan Mr. Day unfolded was about as follows—The factory to have a capacity of from 175,000 to 200,000 gross of bottles per year. He showed me some figures of estimated production which were—bottles to be made at 31 per min. which would allow the estimated yearly production to be made on two machines. The next figure was—a net profit of $0.50 per gross. The bottles to be made are Beer bottles. He wanted to know whether these figures are correct and, what size furnace it would take to get that production. I suggested to him that, as he had gotten, from somebody, the estimate of production and profits he no doubt had also been told many other things about a glass factory and therefor- before going anywhere myself on this subject I wanted to know what other information and plans he might have. He was willing to go ahead under those conditions.

Mr. Chas. Clippert and he (Mr. Day) are the only ones interested. He is Mr. Clippert's attorney. Mr. Clippert is the pres. of Goebel Brewing Co. Pres. of Clippert Brick Co., associated (was or is) in several banks, and was address- as "Commissioner", he was a boyhood neighbor, adjacent farms, of Henry Ford and they are now very good intimate freinds. The buying of bottles by Goebel Brewing Co. got Mr. Clipppert into the idea of making their own bottles and, so Mr. Day said, the whole thing got started.

The first decision was not to have anything whatever to do with any Code authority, to be entirely independent. A visit to Washington, was made and, with the aid of several U. S.-Michigan Public servants, a visit to the Dep't of Commerce was arranged where a "Permit to build and operate a glass factory in Detroit" was obtained.

They then bought (could not find out from whom) two Lynch machines also five O'Neil machines and a couple of O'Neil feeders. In addition they bought all the Tank-blocks, fire and silica brick (never used) located in the old Gen. Elec. Co. Bulb plant at Sandusky Ohio.

[fol. 60937] .They know of the legal difficulty regarding Feeder operation and, said they had written you but that your answer was not very promising. So they contacted Nivison-Weiskopf and were informed there that their Feeders should not be operated anywhere except their own plant, at present and that a little later perhaps other arrangements can be made. Then Mr. Day said—"if we decide to go ahead and use the feeders that we have we know that H.-E. will start suit against us, but that suit would have to be brought right here in Detroit, our home town, and we know who will not loose".

Further, Mr. Murl Lenz, at one time Factory manager for the Graham Brothers and later Owens Bottle Co. plant at Evansville, has agreed to *to* design and furnish them with Feeders, with no Royalty, for the sum of $2,500 per feeder installed. Mr. Lenz is now Factory Manager of the Graham Automobile Body Plant at Wayne, Mich. (Would not be surprised to find that Mr. Lenz has played quite some part in all the Detroit Glass Factory proposals that we have heard about.)

They do not like Mr. William Morton, but I believe they have had Amler-Morton give them some estimates and they do not think very much of Mr. Schwalbe of Toledo Engineering.

So far the proceedings had been quite interesting and at this point Mr. Clippert entered into the picture. He was told of the conversation between Mr. Day and the writer and asked me what my opinion was of the proposition. I could only suggest that, they, really and honestly, should get in touch with H.-E. before going too far with the proposition, no use starting off with trouble as they would have plenty of that before they would have the privilege of cutting that 50¢ profit per gross mellon. Mr. Clippert stated that he felt that they had been very much misinformed and, that the state of the Bottle industry is not what they were led to believe it to be, and, that he would rather have H.-E. be friendly disposed than start a law suit, never mind the outcome.

That ultimately a glass factory would be built in, or near, Detroit he was pretty sure of, plans of the past and present would have to be changed, perhaps by the getting together of a number of the Detroit breweries into this venture and then making bottles for themselves exclusively, might be a

way out of any difficulties. No comments from me on that, would not have known what to say anyway.

Mr. Clippert asked me if I would accompany Mr. Day to Findlay and look over the two Lynch machines they have there. This I did. These machines are in very good mechanical condition, were not operated very much and came from that Milwaukee factory (Franzen, I believe). They are stored in an old garage near the outskirts of the city. Name plate showed 1917 as date of delivery. Man named Howard who is being paid some kind of wages or salary takes care of them, he is slated to be the foreman in the factory if and when they start. Seems to be a man that knows something about operation. The other machines are at Massilon, Ohio, I told them that no doubt those old O'Neil machines are not in very good condition, they have been through a fire and also are "orphans", so they decided that they would probably try to get rid of them. The feeders I believe are also at Findlay, but I was not asked to see them.

This all happened week before Christmas and it was intimated that they might like to have me confer with them again so I have delayed writing but nothing further has come from them.

Yours very truly, —— ——.

[fol. 60938] GOVERNMENT EXHIBIT No. 1491

Toledo, Ohio, Jan. 14, 1936.

Mr. R. M. Eldred, Hartford-Empire Co., Hartford, Conn.

DEAR MR. ELDRED:

Received a phone call from Mr. Day of Detroit asking me to meet him and Mr. Clippert at Detroit yesterday (Monday).

Upon arrival found both gentlemen awaiting me. Evidently they had gone over the subject of that new glass factory in a somewhat decisive manner. They asked me if I would act as a sort of contact man between them and the H. E. Co. I agreed to do so providing of course that everything would be regular in every way.

The two gentlemen are alone in this program, having no associations nor any connection with any stock jobbing or stock promotion firm or person.

They own the two Lynch machines and two O'Neil Feeders, 5 O'Neil machines, bought out the old G. E. bulb plant at Sandusky, in so far as all the furnace blocks, tile and fire-brick are concerned, and also have a tract of land favorably located for delivery into Detroit and also for the delivery to them of practically all raw materials and cartons. Tentative arrangements have been made for the supply of fuel (oil-gas) from a refinery. Delivery of Sand, Soda-ash and lime by truck if so desired. They have an Engineering-Architect ready to go ahead with the planning of the buildings.

In checking over the possibilities of sale of product, they have found that there are quite a number of users of bottles in the Detroit district that show a very evident desire to prefer a near-by source of supply if such a source were available.

In doing this checking over they have figured it out that 175,000 to 200,000 gross per year could be sold. The ware being mostly Beer and other beverage bottles and some packers ware and some pharmaceutical and proprietary bottles. They would confine their activities to the Detroit Metropolitan District exclusively.

They started out to get this glass factory built and operating in a similar manner of getting, perhaps, any other business going. They got those machines and feeders, tank blocks and bricks and then found out that they had not been well informed. They had the notion that glass machinery could be bought and operated the same as any other line of business could do, and have spent a fair some of money getting to where they are.

Mr. Clippert and Mr. Day have asked me to tell you all this and, in addition convey to you their request for a license to use these feeders and a further license for two or three more feeders. They say they are very willing to become H. E. licensees, pay their Royalties and, comply with all the conditions such a license exacts. They will, if you insist, incorporate prior to your possible granting of license but, would prefer to do that after Money for the complete financing of this project is in hand without any recourse to any stock selling promotion.

They would very much like to have privelege of sending their Engineer-Architect to Hartford to confer with the H. E. engineering dep't to assure the construction of buildings and placing of equipment will be as near correct as is possible. They have nobody in sight to do any of the [fol. 60939] building furnace, batch buildings or in fact anything, but they do not favor Amsler-Morton.

They evidently are very much in earnest about all this and wish you to set a date and time, in the very near future, when they should confer with you in Hartford.

I have been asked to meet with them again in Detroit next Saturday afternoon (Jan.18) with the hope that you may have been able to send a letter or a telegram, indicating, perhaps briefly, your policy or intention. You may, if you wish *sned* this information to me or to Mr. Day, 27th floor, David Stott Building, Detroit, Mich.

Very truly yours, —— ——.

[fol. 60940] GOVERNMENT EXHIBIT No. 1492

Jan. 7, 1936.

Mr. Cliff Roper, Owens Illinois Glass Co., Toledo, Ohio.

DEAR SIR:

We have been asked to quote McKesson & Robbins on their 16 oz. rubbing alcohol bottle and in order not to disturb you by any quotation we might make we would appreciate your advising us what price you propose putting in there so that we will be quoting the same price.

Your courtesy will oblige,

Yours very truly, F. B. P.

[fol. 60941] GOVERNMENT EXHIBIT No. 1493

F. B. Pollock T. R. Thompson

3/25/36.

We have your letter of the 24th. and we note copy of your letter to Mr. Haarman. Our Mr. Burke was down there yesterday and we hope to line up some business with these people.

We also received the telephone bill which we are forwarding a check for but we want to call your attention to the expense on N Y calls. They run pretty high during the daytime and we would avoid this expense in every possible case.

It might be possible that Owens are selling Toledo Cider 16 oz. for $3.15 but we certainly don't believe they are selling them 24 oz. for $4.00. This is absolutely out of reason. We will think over this proposition when we get it.

Regarding Weller would say that we don't think we have to sell the #504 and #648 jar @ $3.75. We think we should get $4.00 in city delivery cartons. As to the catsup proposition, Tom, we don't know what to say. We wouldn't want to take on 100,000 cases in any event, but we might be willing to take 10,000 gross of the 14 oz. and list less the quantity discount would be $3.30. Under no circumstances would we cut Owens price there. If he wants to give you 10,000 gross of catsup glass @ Owens price we would be very glad to have it provided the price isn't less than $3.20. Now, Tom, we don't want to put in any $3.20 price. We don't want to put in any price at all. If you are friendly enough with the buyer to get a small order at Owens price we would like to have it, but we are not prepared to take the whole of the business, and for that reason we don't want to name any prices that are going to disturb Owens' figures so handle yourself very carefully with this fellow.

Regarding Below we think you are quite right in disregarding the two prices you mention as we don't believe them.

Have taken note of the other contents of your letter, and with best wishes—

F. B. P.

[fol. 60942] GOVERNMENT EXHIBIT No. 1494

May 26, 1936.

Mr. Herb Enzelberger, Owens Illinois Glass Co., Toledo, Ohio.

DEAR HERB:

In printing up copies of your price list recently covering narrow mouth food containers and gallon jugs, we feel that undoubtedly you had some surplus copies which you would

be more than glad to send on to us. We need eight of these and it would be satisfactory to omit the first page bearing your name, and if you could get these to us by letter postage, special delivery, we could have them in the hands of our men by the end of the week.

We hope that you will not consider this request presumptuous on our part, but we felt sure that you would be more than glad to cooperate.

Thanking you in advance, and with best wishes, we are,

Yours very truly, F. B. P.

[fol. 60943] GOVERNMENT EXHIBIT No. 1495

To the Board of Directors of the Owens Bottle Company.

GENTLEMEN:

For the purpose of having two interpretations of the contractual rights of several of our licensees, definite questions were submitted to Messrs. Tracy, Chapman & Wells.

In the first of these opinions, covering the Thatcher Manufacturing Company's license, their findings were, briefly, as follows:

1—The Thatcher Company can in no way escape the payment of royalties specified in their contract, until the expiration of their license agreements.

2—Toledo Glass Company as owner, and Owens Bottle Company as licensor, have the right to demand that all rights of the Thatcher Company to manufacture condiment ware under their Hartford-Fairmont license, be transferred to the Toledo Glass Company, but as this license is non-assignable, the Thatcher Company would undoubtedly be prohibited, in suit, from manufacturing condiment ware.

3—Thatcher Company have violated their license agreement by operation of Hartford-Fairmont machines and they are liable for damages, in royalties, for all bottles manufactured on Hartford-Fairmont machines.

4—Owens Company may revoke the license of the Thatcher Company if that company does not cease operation of the Hartford machines within thirty days after date of notice by the Owens Company.

5—Thatcher Company, by acquisition of Owens, Graham and Hartford-Fairmont processes, have violated the Anti-Trust Law.

Following receipt of the above opinion, proper notification was sent to the Thatcher Company, resulting in a conference in Toledo, on October 16th, at which Messrs. Baldwin, Mandeville, Walbridge and Blain were present.

After full expression by each representative, regarding the position of his respective company, the following suggestions were made by the Owens representatives:

1—The Owens Company should receive royalty on an agreed percentage of all milk bottles, whether manufactured on Owens or other machines. The Thatcher representatives favored 50%.

2—Thatcher Company should not have exclusive rights to machines and appliances developed or to be developed by the Owens Company. To this suggestion Mr. Baldwin and Mr. Mandeville objected.

3—The Owens Company should manufacture milk bottles for the Thatcher Company, at one of the Owens factories. In this both Mr. Baldwin and Mr. Mandeville concurred.

4—Thatcher Company should discontinue the manufacture of condiment ware. Both of the Thatcher representatives agreed to this, providing they could dispose of their plants and license without a loss.

To the suggestion that they turn these plants into milk bottle plants, the Thatcher people offered various objections. [fol. 60944] Shortly after the interview referred to at Toledo a meeting was held with Mr. Mandeville, at Philadelphia, which, briefly, resulted as follows:

It was proposed that since the Owens Company's interest lies entirely in carrying out the intention of the contract as originally drawn, this could be done —

1st. — By arriving at a percentage of the bottles produced upon which royalty should be paid to the Owens Company, regardless of the machine upon which they are made.

2nd. — Upon surrender by the Thatcher Company of the condiment license.

3rd. — By converting the Woodbury plant into a milk bottle plant.

This plan was accepted by Mr. Mandeville, as an individual, with the understanding that he would take up the matter formally with his people.

Since this interview, Mr. Mandeville has approached the Hartford-Fairmont Company for a proposition looking toward the surrender of their condiment license. The Executive Committee of the Hartford Company have agreed to give this request immediate consideration.

The Thatcher Company have the privilege of surrendering their license by the payment of minimum royalties for the unexpired term of the contract. The amount involved would be approximately $121,500, but Mr. Mandeville is of the opinion that Thatcher Company can get a modification of this feature and is endeavoring to do so.

If the above, in principle, meets with the approval of this Board, we would request authority to finally settle on this basis.

Respectfully submitted, (Signed) J. C. Blair, Wm. S. Walbridge.

[fol. 60945] GOVERNMENT EXHIBIT No. 1496

May 21, 1924.

To the Board of Directors of The Owens Bottle Company.

GENTLEMEN:

The following is a brief report of The Owens Bottle Company's license situation.

No recent changes have been made in any of the licenses to domestic users of Owens machines and the royalties received therefrom have already been included in the General Manager's report.

The only license in which any change is contemplated in the near future, is that of Ball Brothers Company. Their exclusive license of 1909, for the manufacture of domestic fruit jars, expires on November 2, 1924. During the past few years we have had several meetings with representatives of that Company, regarding an extension of the agreement and while they apparently want to have the license extended, they have not indicated that they are in any particular hurry to have the details settled. They are planning, however, to be here next week, when we hope to be able to come to some definite conclusion with them. We have told

them that we will grant them an extension of their exclusive license on a 10¢ royalty basis and while in our discussion during the last three or four years they have stated that they want an exclusive license on our feeders, we, of course, cannot give them that now on account of our settlement, with the Hartford-Empire Company. We made arrangements, however, with Hartford, that they would agree to grant Ball Brothers a feeder license for the manufacture of domestic fruit jars.

* * * * * * *

Respectfully submitted, (Signed) Wm. S. Walbridge, (Signed) H. H. Baker, (Signed) J. H. McNerney.

I Certify That This is a True Copy of the Original in the Files or Records of This Company.

E. F. Martin, Asst. Secy. & Asst. Treas. Owens-Illinois Glass Company.

[fol. 60946] GOVERNMENT EXHIBIT No. 1497

Owens-Illinois Glass Company

I, John H. McNerney, Secretary of Owens-Illinois Glass Company, hereby certify that the following is a true and correct copy of an excerpt of a meeting of the Board of Directors of said Company held on July 18, 1933, as appears from the minutes of said meeting, at which the following were in attendance:

Present: Wm. E. Levis, President; H. F. Atherton, Harold Boeschenstein, W. H. Boshart, H. E. Collin, Wm. Ford, Ben F. Hazelton, Jr., W. W. Knight, R. H. Levis, H. G. Phillipps, C. J. Root, F. W. Schwenck and J. H. McNerney, Secretary.

Absent: Marshall Field, Charles H. Sabin, Wm. S. Walbridge.

"The President reported at length to the Board the situation with respect to the Headley & Thompson application in the United States Patent Office for patent broadly covering

feeder fed bottle blowing machines in general use at the plants of this Company and among other glass manufacturers, and the necessity of improving the Company's position in the bottle forming machine situation, and urged the desirability of taking such action as might be necessary to protect the interests of this Company; but said further that he could not advise at this time the precise action this Company should take, though conferences were being held with representatives of various other companies interested in this matter, and that in his judgment it would be worth a million dollars to this Company if the forming machine situation could be satisfactorily adjusted.

"On motion, unanimously carried (1) the President and Mr. Hazelton were appointed a committee to continue such negotiations for such contracts as should in their judgment be necessary and proper for the purpose; providing the same should be approved by Mr. C. B. Belknap, who is familiar with the patent situation, and provided further that such contracts and arrangements should not bind this Company to an expenditure in excess of $1,000,000.00; and

"(2) the President and Secretary of this Company were authorized and directed to execute and deliver in the name and on behalf of this Company such contracts conforming to the foregoing limitations as should be approved by the President, Mr. Hazelton and Mr. Belknap."

[fol. 60947] In Witness Whereof, I have hereunto signed my name officially and affixed the seal of said corporation, this 22nd day of May 1941.

John H. McNerney, Secretary. (Seal.)

GOVERNMENT EXHIBIT No. 1498

SAPERSTON, MCNAUGHTAN & SAPERSTON

WILLARD W. SAPERSTON
DANIEL N. MCNAUGHTAN
ALFRED M. SAPERSTON
HOWARD T. SAPERSTON
OMAR S. OLDS
HARRY H. WILTSE
RICHARD H. WILE
R. KERFORD WILSON
EMANUEL DUKE
SAMUEL H. HIRSHMAN

COUNSELLORS AT LAW
LIBERTY BANK BUILDING
BUFFALO, N. Y.

BROCKWAY MACHINE BOTTLE CO.

Bottle Manufacturers

Brockway, Pa.

July 23, 1932

Green & McCallister
Grant Building
Pittsburgh, Pennsylvania

Gentlemen:

@ [illegible] about Hazel-Atlas and

GOVERNMENT EXHIBIT No. 1498

SAPERSTON, MCNAUGHTAN & SAPERSTON

WILLARD W. SAPERSTON
DANIEL N. MCNAUGHTAN
ALFRED M. SAPERSTON
HOWARD T. SAPERSTON
OMAR G. OLDS
HARRY H. WILTSE
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COUNSELLORS AT LAW
LIBERTY BANK BUILDING
BUFFALO, N. Y.

BROCKWAY MACHINE BOTTLE CO.

Bottle Manufacturers

Brockway, Pa.

July 23, 1932

Green & McCallister
Grant Building
Pittsburgh, Pennsylvania

Gentlemen:

A few weeks ago, we were talking about Hazel-Atlas and Hartford making a settlement. I had a call from A.M. Aljeo yesterday and met him in Butler.

He advised me that the Hazel-Atlas were going to pay the Hartford-Empire, $1,000,000.00 back royalty, and that they were going to pay Hartford the royalty on their feeders.

They said that they had not as yet signed the contract with Hartford, but his Board of Directors give Hartford their work of honor that they would pay them $1,000,000.00 royalty on their feeders.

Very truly yours,

J. W. Harding

JWH:EC

60948 60949

COPY

13991



GOVERNMENT EXHIBIT No. 1499

Hotel Severin

400 ROOMS
400 BATHS



ILLINOIS, GEORGIA AND McCREA STS.
INDIANAPOLIS, IND.

FRED C. GARDNER, PRESIDENT
WILLIAM A. ATKINS, VICE-PRESIDENT & TREASURER
JESSE FLETCHER, SECRETARY AND MANAGER

Sep 17-27

Mr. H. E. Hartley
City

Dear Mr. Hartley

Here is a penciled memorandum of a suggestion which you might consider in light of our conversation this morning.

The larger interests - Owens, Illinois & Hazel - have more or less been the leaders for harmony in the industry for the past years. They considered this leadership because of large manufacturing, sales and other advantages which they possessed. These advantages have been lessened

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Hotel Severin
400 ROOMS
400 BATHS



ILLINOIS, GEORGIA AND McCREA STS.
INDIANAPOLIS, IND.

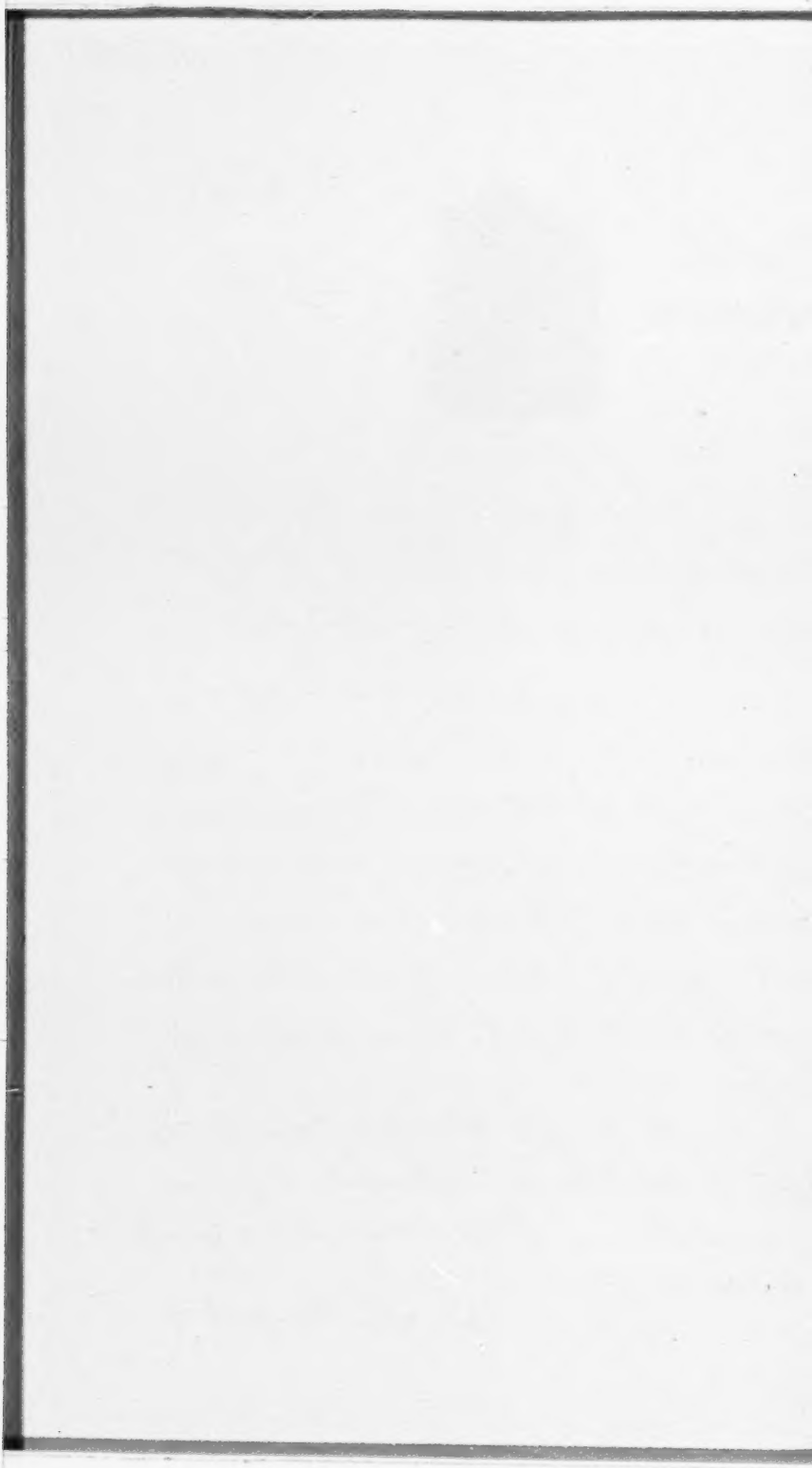
FRED C. GARDNER, PRESIDENT
WILLIAM A. ATKINS, VICE-PRESIDENT & TREASURER
JESSE FLETCHER, SECRETARY AND MANAGER

the perfection of new types of equipment, consolidation and general strengthening of some of their competitors.

Competition of the larger interests with this secondary group has brought about market instability and have brought some evidences of discord even between the larger companies, because of conditions they had to meet with this secondary group.

It might be that the leadership of the larger interests requires the assistance of the secondary group to make it effective. 60951

As presidents the largest of



Hotel Severin
400 ROOMS
400 BATHS



ILLINOIS, GEORGIA AND McCREA STS.
INDIANAPOLIS, IND.

60952

FRED O. GARDNER,
PRESIDENT
WILLIAM A. ATKINS,
VICE-PRESIDENT & TREASURER
JESSE FLETCHER,
SECRETARY AND MANAGER

the secondary group, would it not be wise for you to undertake to organize the secondary group, so as to regulate to some extent at least the relations between companies of this group, secondly between this group and the larger interests, thirdly between this group and the smaller interests.

In this secondary group any one in manufacturing general line of containers might be placed the following.

1. Sumner Glass Co
2. Hunt Glass Co
3. Ohio Western Glass Co

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60953

Hotel Severin

400 ROOMS
400 BATHS



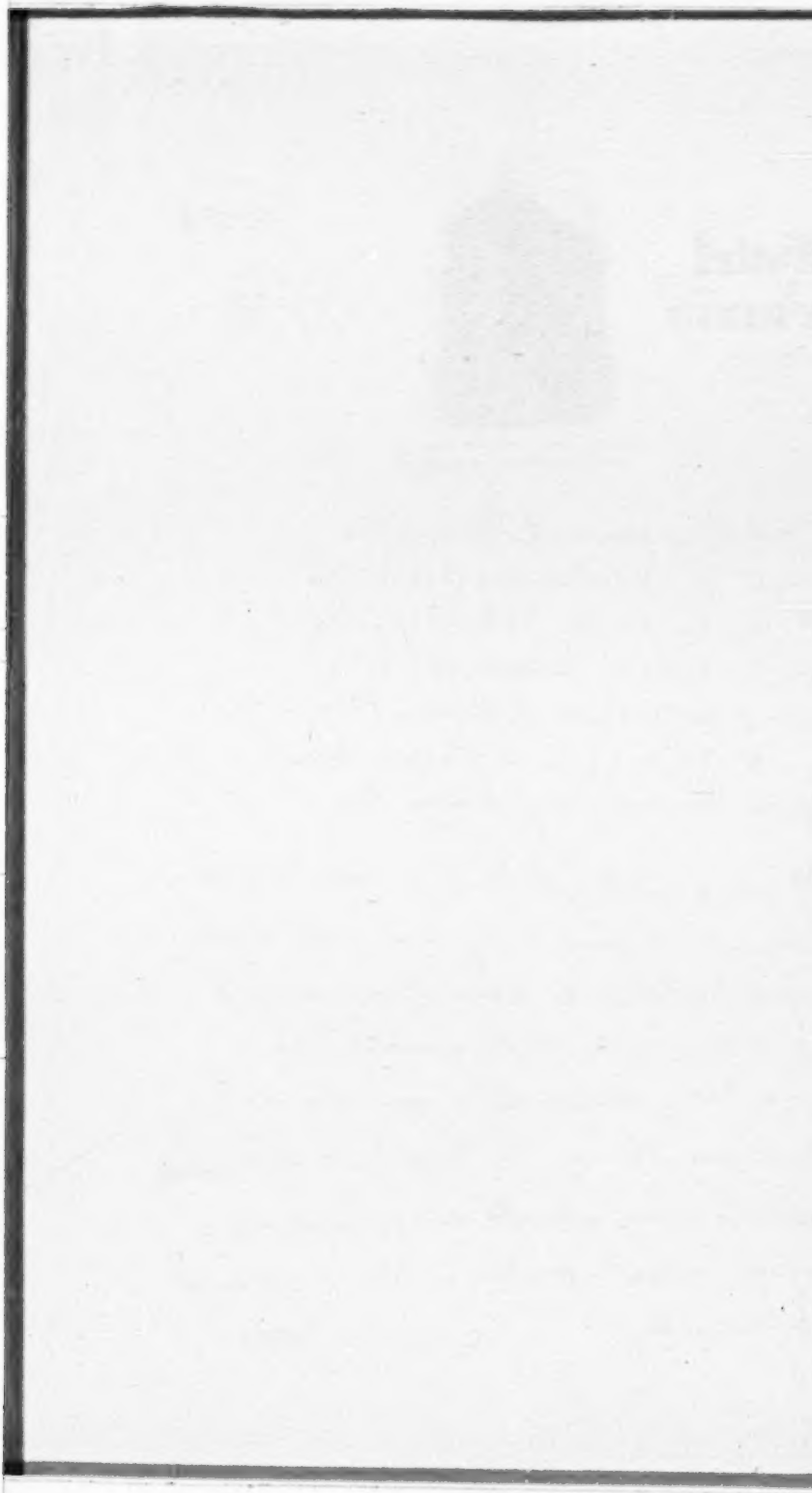
ILLINOIS, GEORGIA AND McCREA STS.
INDIANAPOLIS, IND.

FRED C. GARDNER,
PRESIDENT
WILLIAM A. ATKINS,
VICE-PRESIDENT & TREASURER
JESSE FLETCHER,
SECRETARY AND MANAGER

4. Fairmont Glass Co
5. Knox Glass Bottle Co
6. Hinson Uebelhoff Co
7 Salem Glass Works
8 Whitall Tatum Glass Co
9 Maryland Glass Corp.
10 Hemingray Glass Co.

If you could get these groups together without saying anything to the larger interests until organized and then go to them with the suggestion that here you are ready to give backing to their leadership it seems you should improve the morale and feeling throughout the industry.

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Hotel Severin

400 ROOMS
400 BATHS



FRED C. GARDNER, PRESIDENT
WILLIAM A. ATKINS, VICE-PRESIDENT & TREASURER
JESSE FLETCHER, SECRETARY AND MANAGER

ILLINOIS, GEORGIA AND MERIDIAN STS.
INDIANAPOLIS, IND.

If after consideration you decide to make the attempt, I will endeavor to assist you in securing 100 % attendance of those you invite

I am mailing this suggestion as one of the ways harmony may be restored

Fred J. Rummel

60954-60955



[fol. 60956] GOVERNMENT EXHIBIT No. 1500

Sept. 14, 1928.

Mr. Fred J. Rummel, 19 West 44th Street, New York, N. Y.

DEAR SIR:

This letter is your authorization to commit this company to an amount not in excess of two thousand dollars to be paid to some reputable accounting concern of national reputation—Price, Waterhouse & Company preferred—according to their customary terms for such service, to defray our share of the expenses to have an Audited and Consolidated Balance Sheet and Profit and Loss Statement, covering a three year period, prepared for a certain group of factories, which are considering the possibilities of entering into a merger of their properties, provided that:

1. These Adjusted Consolidated Balance Sheets and Profit and Loss Statements are prepared along the lines laid down by a committee of three to be selected by you from the representatives of the companies having given similar authorizations.

2. These Adjusted Consolidated Balance Sheets and Profit and Loss Statements give effect to uniform rates of depreciation, uniform methods of hanlding charges for repairs and replacements, uniform methods of valuing inventories, reconcile differences arising from payment or non-payment of royalties on equipment, make comparative salary charges, etc. in accordance with regulations laid down by the committee.

3. Six of the following eight companies deposit similar authorizations:

1. Atlantic Bottle Company, Breckenridge, Pa.

2. Berney Bond Glass Company, Clarion, Pa.

3. Hart Glass Company, Dunkirk, Ind.

[fol. 60957] 4. Lamb Glass Company, Mt. Vernon, Ohio.

5. Obear Nester Glass Company, East St. Louis, Ill.

6. Salem Glass Company, Salem, N. J.

7. Turner Glass Company, Terre Haute, Ind.

8. Whitall Tatum Company, Millville, N. J.

4. The accounting firm chosen is put under written obligation not to disclose the figures submitted by the individual companies in any way to anyone, except that they issue to each participating company a copy of their own Adjusted Balance Sheet and Profit and Loss Statement and a copy of the Consolidated Adjusted Balance Sheet and Profit and Loss Statements.

5. This Company be notified when six authorizations have been deposited and that this authorization has become active and binding, and that in case this notification has not been received before October 31, 1928, this authorization shall be deemed null and void.

Very truly yours, —— ——.

(Here follow 2 photolithographs, side folios 60958, 60959, 60960-60961)

GOVERNMENT EXHIBIT No. 1501

HARTFORD-EMPIRE COMPANY

Glass Working Machinery

HARTFORD, CONN.

CABLE ADDRESS:
EMHART

May 3, 1929.

Personal.

Mr. H. D. Hartley, President
Turner Glass Co.
Indianapolis, Ind.

Dear Harry:

I don't think I half showed you my real appreciation of your introduction of me to Mr. Norton yesterday, and the visit we made to the Laboratories. Everything was so kind of rushed, and we had so many things to think about and talk about, that I feel to-day as if I had just simply obtained a fleeting glance of you.

GOVERNMENT EXHIBIT No. 1501

HARTFORD-EMPIRE COMPANY

Glass Working Machinery

HARTFORD, CONN.

CABLE ADDRESS:
EMHART

May 3, 1929.

Personal.

Mr. H. D. Hartley, President
Turner Glass Co.
Indianapolis, Ind.

Dear Harry:

I don't think I half showed you my real appreciation of your introduction of me to Mr. Norton yesterday, and the visit we made to the Laboratories. Everything was so kind of rushed, and we had so many things to think about and talk about, that I feel to-day as if I had just simply obtained a fleeting glance of you.

There are two or three outstanding things that occurred.

First, We are both thinking along the same lines.

Second, it will be a wonderful thing, as I see it, to have that tank, when you are through with it, shipped on to Hartford to put in our back yard.

Third, I hadn't realized that you and Ike had seriously considered the H-A proposition. This seems to me pretty far-reaching, and has a good many favorable factors.

I may be unduly exercised about the other group that are attempting to bring about a combination. I rather feel the Anchor Cap group will be very strong, and if Ball Bros. and Salem should be thrown into this particular family, it would be rather serious.

On the other hand Ball Bros. and Salem alone wouldn't be as formidable.

I can get more or less of the details of what

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is going on, but it places me in a very embarrassing position, and I rather purposely stay clear of the situation.

At any rate, I am convinced that you and your three other friends should make headway as rapidly as possible, otherwise some of the cream may be gone.

I think Whitall-Tatum are absolutely loyal to Edw. B. Smith & Company, but I should dislike to see a situation develop where somebody else made them an offer.

Yours very sincerely,

Goodwin Smith

President

FGS-C

60959-60961

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[fol. 60962] GOVERNMENT EXHIBIT No. 1504

Indianapolis, Indiana, May 6, 1929.

The statistics show that capacity of glass factories is greater than the production or orders.

We approved of the Glass Container Association making this investigation.

The over-capacity warranted us giving careful consideration to further plant expansion.

The Secretary of the Glass Container Association obtained figures from each glass company on what they had done in past years, and then added all of these figures together so he would know the total capacity, and the total orders, sales, and shipments, and then gave each glass factory the combined figures, and in addition their own figures, so that they could see what their capacity and orders were, proportional to all of the capacity.

The figures indicated that the Winchester and Terre Haute plants should give careful consideration to any further expansion, and we told the Glass Container Association that we were satisfied that the figures they had given us on the Winchester and Terre Haute plants were correct, and that we fully appreciated what further expansion meant in the industry.

The Monongah Glass Company had not really been in operation for quite a few years. We acquired this plant and eliminated unprofitable lines. The Glass Container Association took our figures, which indicated that our past performance had been about 250,000 gross.

We told Mr. Rummel, the Secretary, Mr. Mandeville, and Mr. McNash of the Hazel-Atlas Glass Company, that it was obvious that we could not operate the Monongah factory on 250,000 gross, that we had capacity for approximately 1,000,000 gross, and that our plans were to operate two tanks at Monongah, which would necessitate our producing 400,000 to 500,000 gross. We also told Mr. Rummel that this business, if possible, would be built up from business we would get from new uses, or from better selling methods.

Mr. Rummel, Mr. Mandeville and Mr. McNash agreed with this plan.

The figures on the original Monongah sheet were never changed to 400,000 or 500,000 gross.

The classification report consequently shows that when you combine Monongah with the western factories, that we

are running our factories ahead of the forecast, and this naturally makes us appear to ourselves in the wrong light. [fol. 60963] We also feel that these statistics have been shown to other parties, because Walter McClure of the Hazel-Atlas Company mentioned this to C. D. King, and Mr. Fred Rummel mentioned it to C. D. King. This has the appearance that these figures are being shown to other people, and they appear to them as they do to us—that on the face of it, we are selling more than our forecast.

I want the Monongah Glass Company figures changed from 250,000 gross to 450,000 gross, and the proper figures put in the classification report, specifically for the effect it will have on our own company, and to protect us on any effect that it might have on anybody else.

H. D. Hartley.

[fol. 60964] GOVERNMENT EXHIBIT No. 1505

Indianapolis, Ind., July 18, 1929.

Mr. H. C. Mandeville, Thatcher Manufacturing Co., Elmira, N. Y.

DEAR MR. MANDEVILLE:

I heard yesterday that Hazel Atlas were having an appraisal and audit made of their plant. Have you heard anything about this?

Mr. Granger and Mr. King with some of our men left last night to check plant and inventory at While Hall Tatum.

Fred Rummel was in my office yesterday and said that McNash, Levis and Whitehall had a meeting after the regular meeting of the Cost and Statistical Department and Stevenson found that his plan was right, so Fred Rummel went to Toledo with Levis and then came here and after a three or four hour careful analytical study, arranged that the industry would be helped if Mr. Levis would come out with a price list on all qualities and quantities, showing just exactly what they were getting for the products.

Of course, Mr. Levis to see that the Owens-Illinois Bottle Company adhered strictly to that list, unless it is affected by competition and then they would meet competition but not discriminate.

Personally, I think Fred Rummel firmly believes that this can be done; but he also tells me that Stevenson would like to do it the other way. I feel that the Glass Containers Association is making progress.

Ike Collins has telephoned me several times and I interpret that he is depending on us to put the yard stick to Whitehall. At least I am going into this matter thoroughly so that I can satisfy ourselves and, of course, as conclusions, will be available to you.

Talked yesterday morning with Stanley Ayres and he thinks that everything will be ready by July 31st and I am planning to be in New York at that time to stay indefinitely to put this thing into shape.

[fol. 60965] Hartford-Empire is having us design for them a 15 ton, three feeder, Babcock and Wilcox furnace. I am very glad to have you say that John Ferguson and his daughter had a pleasant time in Elmira. I believe that John is going to help us a good deal. I am very fond of this type of man.

This is more or less notes, Mr. Mandeville; but I thought possibly you would be interested and I am looking forward to seeing you on the 31st.

Sincerely yours, Turner Glass Corporation, ——
——, President.

HDH·LS

[fol. 60966] GOVERNMENT EXHIBIT No. 1506

April 14, 1939.

Hartford-Empire Company, Hartford City, Conn.

Attn: F. Goodwin Smith, Pres.

DEAR GOODWIN:

I recall in a former conversation that it was not advisable to start a glass factory in Cincinnati, Ohio, which I concurred in, and that matter is settled.

I now have some people who want to buy a glass factory, interested principally is rather a narrow license, as they are consideatring what I would call simple bottles. But of course they would like to have as much range in the license as possible.

I have been delegated to see if such a thing is available, and would like to have you advise me on this matter.

Very truly yours, Harry D. Hartley.

HJ.

GOVERNMENT EXHIBIT No. 1507

HARTFORD-EMPIRE COMPANY

HARTFORD, CONNECTICUT

CABLE ADDRESS "EMHART"

F. GOODWIN SMITH
PRESIDENT

April 17, 1939

Mr. Harry D. Hartley
4051 Washington Blvd.
Indianapolis, Ind.

Dear Harry:

I do not feel like giving you any great encouragement about increasing the output of glassware when so many plants are lying idle.

There are of course several glass companies that need extra working capital, and especially at this time as the industry is still below normal. I would not, however, consider it right for me to give you any information about our licensees, but I think you could find out from others as to what plants might be approached in regard to desiring financial reorganization.

The industry has changed considerably since you were actively engaged in it. Prices have gone down - wages have gone up - and in some lines in general there is very little profit left, particularly the packers line.

I hope you and your family have had a good winter, free from sickness. The next time you are in New York give me a ring at the Biltmore and see if I am there.

Sincerely yours

F Goodwin Smith

FGS-C

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GOVERNMENT EXHIBIT No. 1508 Dictated by LTS-K

Brown Geddes Schmettau & Williams

1102-1120 Chio Building

Toledo, Ohio

Fredk L. Geddes
Chas. A. Schmettau
Lloyd F. Williams
Walter A. Everman
Harry W. Morgan
Henry A. Middleton
Edwin Williams
Edwin R. Thurston
Lee E. Guthrie
Charles W. Racine

March Twelfth,
1923

Owens Bottle - Hartford Fairmont.

THE OWENS BOTTLE COMPANY,
1401-1438 Nicholas Building,
Toledo, Ohio.

Attention Mr.Blair:

Dear Mr.Blair:

This is in response to your request for my suggestions with reference to the proposal that The Owens Bottle Company offer to glass bottle manufacturers generally a license on the new plug feeder at 5¢ per gross.

There are several serious legal questions involved in the proposal, but, pursuant to your request, these suggestions do not cover those questions.

As I understand it, the proposal is made with the thought that it will bring the Hartford-Fairmont Company to a more reasonable basis of settlement of your controversies with it. The offer of the proposal, or the threat to offer it, may, by possibility, produce the desired result, but I doubt it. If it does not, and you proceed with the proposal, it seems to me you make settlement more difficult.

If any licenses are granted under the proposal, they must of necessity be not temporary, but for a considerable period. So long as any such licenses are outstanding they will tend very largely to prevent any settlement with Hartford, and will lessen the value of the settlement.

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As soon as any such proposal is made, Hartford will undoubtedly get the information to the trade that there is a serious question of patent infringement. It will be necessary, probably, as a practical proposition, in order to get licensees to accept licenses, to give them some sort of indemnity against damages for infringement against them at the hands of Hartford-Fairmont or others. This would involve a very heavy contingent liability, the amount of which could not be definitely ascertained from time to time.

Illinois Glass Company will doubtless insist upon a reduction of its royalties now paid for the use of the Owens machines, if these licenses at lesser royalties are granted. This will increase the strain on the relations between the two companies, whatever arrangement is finally arrived at.

Assuming that present feeders on the market are efficient, and in some lines substantially as efficient as the Owens machine or the new plug feeder, the Owens Company still has the margin of the royalties paid by manufacturers for the use of the present feeders in competing with these manufacturers in the production and sale of bottles. If that royalty is substantially cut in two, the Owens Company will have its margin proportionately reduced. The general drop in the level of royalties payable for feeders, whether those of the Owens Company or competing companies, will reduce somewhat the general level of costs of your competitors.

The proposal, if put into execution, will undoubtedly have a material effect on the general commercial situation. When the two or three largest factors in any industry start quarreling, and especially if they get their quarrels into court, the industry is bound to be considerably disorganized. I doubt if the mere threat of this will have any effect. The notices sent out by the Owens Company some months ago claiming infringement of its patents has, so far as I can observe, had very little effect. Nevertheless the actual placing of these new feeders on the market and the consequent infringement suits and other controversies will doubtless make a very considerable disarrangement in the industry.

In conclusion, it seems to me that the mere announcement of the proposal will not have very much effect, particularly in making Hartford-Fairmont adopt

1400

a more reasonable attitude. On the other hand, the actual carrying into effect of the proposal may have very serious consequences, and I cannot see just now the prospect of benefits to correspond with the injury that may arise from putting the proposal into effect.

Yours very truly,

Lloyd C. Williams.

60970

File #5. GOVERNMENT EXHIBIT No. 1509

16.4

DORSEY & COLE
COUNSELLORS AT LAW

PATENTS AND PATENT CAUSES IN THE FEDERAL COURTS, U.S. PATENT OFFICE AND FOREIGN COUNTRIES

VERNON M. DORSEY, WASHINGTON, D. C.
FRANK C. COLE, NEW YORK, N. Y.
NEW YORK OFFICE, 165 BROADWAY

420 6TH STREET, N. W.
WASHINGTON, D. C.

May 25, 1918.

Mr. Alexander B. Falck,
c/o Corning Glass Works,
Corning, N. Y.

Dear Falck:-

I enclose herewith a copy of a letter to Mr. Morrison in reply to a letter from him, copy of which is enclosed.

Of course there are a number of points of view on this:

1. The Hartford Fairmont people, when they heard that Lott was about to sell to [illegible] people (who will use Lott against them for all he was worth), became quite nervous and desirous of buying Lott outright. They, however, have no interest whatever in buying factory rights. To buy a few factory rights and work under them would be a concession that their other apparatus would be infringing.

2. The Empire Machine Company seems to me to be in the same position. They have no factory and are only making machines which in the future may be used in a number of factories.

3. The Corning Glass Works and the General Electric Co. might possibly be interested in acquiring factory rights under Lott as a mere safe-guard, especially if

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the new Type F machine is to be paddle-fed and is to be a full automatic with annealing devices attached to it.

I have not mentioned this phase of the matter in my letter to Mr. Morrison, as the General Electric Co. would not hesitate with the money at their command to buy all five of the factory rights, and to exhaust the supply.

If the Corning Glass Works is interested in this, it might be worked out by having the American Company buy the five factory rights from Lott, with an arrangement between the Corning Glass Works and the General Electric Co. as to how these factory rights are to be divided between them.

I submit this letter in connection with the letter of Mr. Morrison to your consideration, as it is obviously one out of my province and one involving dealings with the General Electric Co. which you can handle much better than I. I suggest will avoid talking the matter over with Mr. Morrison when in New York next trip, and hence would like instructions.

Yours truly,

60972

File #8.

GOVERNMENT EXHIBIT No. 1510

Mr. Geo. F. Morrison,

120 Broadway, New [redacted]

My dear Mr. Morrison:

I regret very much that [redacted] fact that the trial of the [redacted] of infringement by the paddle feeder of [redacted] at which I was in attendance in [redacted] in Lowell yesterday. I was [redacted] yesterday as arranged. It was [redacted] in my office this morning, [redacted]

As I told you over the [redacted] me on Monday that the deal between the [redacted] had been closed, it being his understanding that [redacted] to himself the right to equip five [redacted] of his application. I am still negotiating with the [redacted] plication. It was involved in [redacted] the heated mood of the public [redacted] filing date cannot be much [redacted] the question of purchasing from him, but he [redacted] time $150,000.00, which we regarded as [redacted] however, by the application of [redacted] left to utilize it as a second line of [redacted]

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tacked the sufficiency of the Lott disclosure by motions to dissolve the interferences. We were successful in these before the lower tribunal, and on appeal by Lott, the decision below was affirmed. Lott has now appealed to the Commissioner, and with his applications in the hands of Owens Company, we may expect him to do everything possible in endeavoring to establish his rights.

In my opinion the Lott case is defective from start to finish, and I do not believe will afford grounds for claims which would properly cover what would be probably used in the manufacture of bulbs. However, it is obvious that he can cause much trouble.

I expect to be in New York shortly and will take the opportunity of seeing you about this.

Yours truly,

VHm/MS.

60974-60975

GOVERNMENT EXHIBIT No. 1512

File #424

[illegible] & COLE

[illegible]

[illegible]

[illegible] Nov. 22, 1919

Mr. A. D. Falck,
c/o Corning Glass Works,
Corning, N. Y.

Dear Falck:

We have succeeded, as you know, in forcing Lott into the position of junior party in some of the flowing interferences, and he has accordingly started taking of his testimony thus disclosing his hand.

Honiss has had an assistant from his office down here from Hartford working under my direction, and he himself has been here for the last eight or nine days.

I have, of course, kept in close touch with the testimony as it has progressed. Lott himself is the only witness so far called and he is still on direct, probably finishing today. According to his story he is the most wonderful glass inventor that has entered the art. At Honiss' request I shall take care of the cross-examination. While his (Lott's) story is wonderful, I see no reason to change my belief that we will beat him, in spite of the fact that he claims to have invented the matter in 1906.

I had Honiss out to dinner the other night and he opened up slightly, that is to say as much as he ever does, as to the deal with the Owens crowd that fell through. He told me that a good many of those interested in the Company felt that they should not call to the attention of our people the proposed

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deal, on the ground that it would look as if they were trying to get competitive bids, but he strenuously protested against this, stating that irrespective of appearances in this regard it must be done, telling his fellow-directors that they were probably not aware of how closely the Hartford Fairmont and Empire Companies have been working together and of the interweaving of relations that existed, in view of which he felt that we should be given early information. In view of this attitude on his part they withdrew their objection to passing the word along. Apparently Honiss' present attitude is that the Owens deal is definitely off, and his whole conduct is such as to indicate that he expects an eventual amalgamation with our company. It is so much so that he himself suggested certain procedure on our part which would result in reducing the rights of the Hartford Fairmont Company, unless such amalgamation takes place. Thus he brought up himself the question under the proposed treaty of foreign applications corresponding to the early Chamberlin following cases. You remember we had already decided on this. While this was done with a view of embarrassing the Federal people abroad, it would likewise embarrass the Hartford Fairmont people there, unless they acquired our rights. Just what the situation is as to the right to file abroad on these cases now unsettled, in view of the question of the League of Nations. The provisions in question are found, however,

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In the Treaty with Germany and undoubtedly will be found in any treaty that is finally approved.

Another angle to the situation is that the Federal people, who will also be hit by Lott, have their representative here, and we are showing them every courtesy; although the Hartford Fairmont Co. has their private fight with them. Negotiations are proceeding between the Hartford Fairmont Co. and the Federal people. I told Honiss we had considered, during the period everything was up in the air, the question of dickering with the Federal people ourselves, but now that the status quo had been settled we were not doing anything along that line.

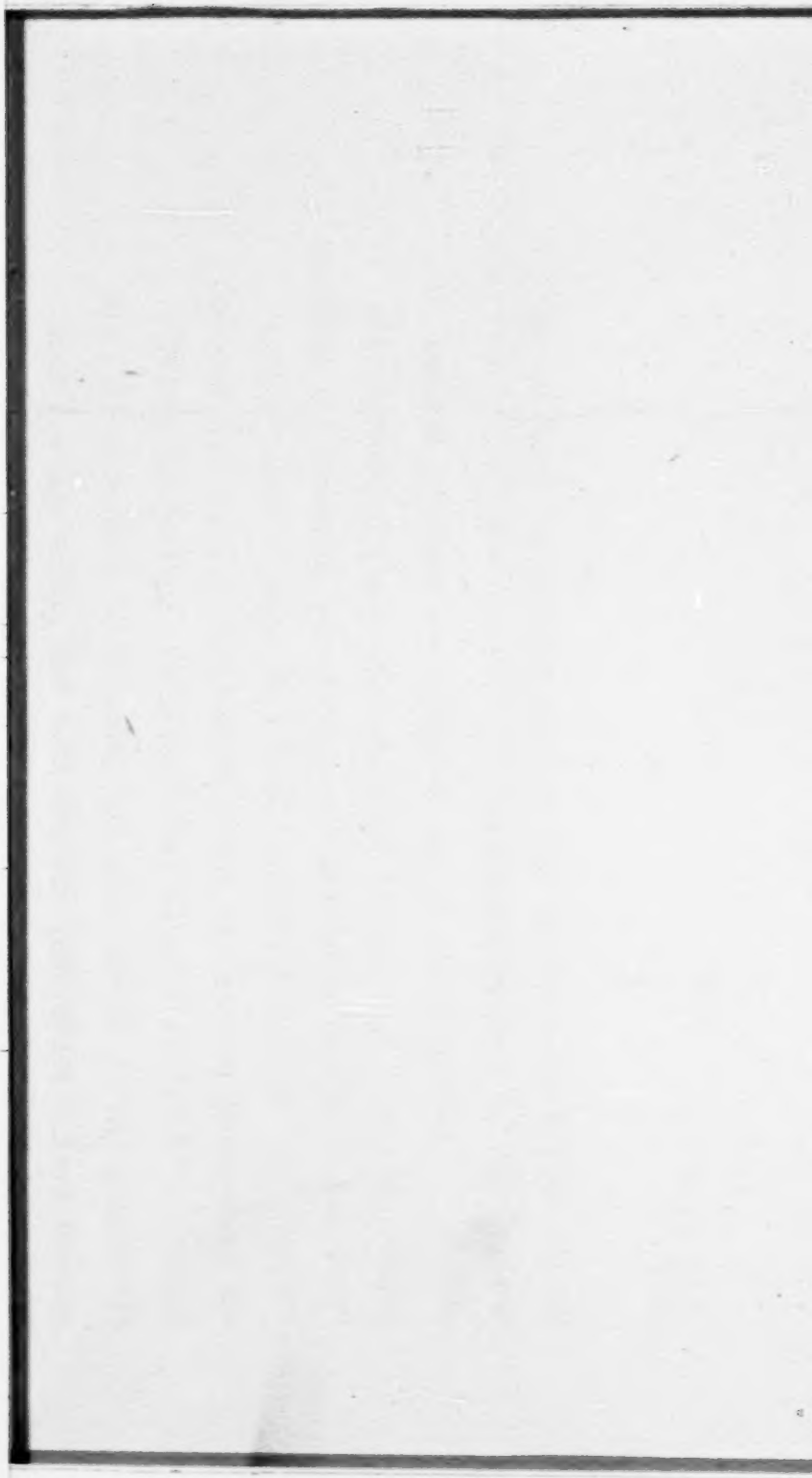
I feel assured from my talk with Honiss that the Hartford Fairmont people will look out for us under all conditions, and I consider that the situation is favorable between us.

Yours truly,

VMD/MB

Copy sent to Mr. A. A. Houghton.

60978



[fol. 60979] GOVERNMENT EXHIBIT No. 1513

Copy

File #424 A.19.6.2

Dorsey & Cole, 426 5th Street, N. W., Washington, D. C.

Dec. 11, 1919.

Alexander D. Falck, Esq., C/o Corning Glass Works, Corning, N. Y.

Personal

DEAR FALCK:

For purpose of getting the facts back in your mind, I am going to give a little history.

(1) When our original deal with the Hartford-Fairmont Company was made, it was based merely on conflicting rights of Chamberlin and Peiler.

(2) After the deal was closed, Lott, now owned by the Owens Bottle Machine Company, and Steimer appeared on the scene, and were involved in one of the Interferences with Peiler and Chamberlin.

(3) The Empire and H. F. jointly purchased Steimer, and were successful in getting a ruling from the Office that Lott did not disclose any invention common to Peiler and Chamberlin, so that the Interference between Lott, Steimer, Peiler and Chamberlin, was dissolved, and Lott was denied the right to make the count of that Interference.

Lott then filed some divisional applications, and as a result of these divisional applications, two Interferences were declared, namely, 37,376, and 42,442, between Lott and Peiler, the former Interference also involving the rights of the Federal Glass Company. Neither of the new Interferences involve any matter found in the Chamberlin application, but do cover matter found in the paddle feeder which the Empire Company has a right to use under their contract.

Under your instructions, and with a view of protecting our rights to use the paddle feeder, I have actively assisted in these two Interferences.

In Interference 42,442, we obtained a ruling some months ago that the subject-matter of it was not disclosed in the Lott 1909 application. As a result of this ruling, Lott was put in the position of junior party, and he has been taking

testimony here for the last two or three weeks. His story is most surprising, and if true, shows a conception by him, of practically all modern processes of handling glass as early as 1906. However, granting that his story is true, I believe that we can beat him out, on account of his own [fol. 60980] lack of diligence. The Hartford-Fairmont Company, whatever may be their attitude or indifference towards the paddle feeder at the present time, have been compelled to combat this story of Lott, because if he wins the issue of Interference 44,442 on that story, he stands a very good chance of establishing his right to make claims which will interfere with the needle feeder, as well as with the paddle feeder. They are therefore thoroughly in the fight at the present time. Honiss has been down here more or less continuously, and has had an Assistant down here on the job all the time. Peiler has been down here at least once, to consult with us, and they have gathered a good deal of information useful for the defense from their licensees and employees who know something of Lott's early work. My relations with Honiss have been thoroughly satisfactory and cordial, and I have nothing to complain of. I am, however, impressed with the possibility that they will lose their nerve, and perhaps seek cover by selling out to the Owens Company. In view of this contingency, I am glad to say that I have made arrangements whereby I have my own copy of the Lott testimony; copies of his Exhibits, and full reports of the results of the investigations which have been made. These I consider distinct assets, in view of future possibilities.

(4) As I have stated, the testimony has been taken in Interference 42,442, and while this was going on, the Examiner of Interferences had under consideration a motion to shift the burden of proof in Interference 39,376, in which Interference, as originally declared, Lott was made senior party in respect to Peiler. This decision came down last Monday, and granted the motion, holding that the Lott application of 1909 did not disclose the invention in controversy with sufficient clearness to warrant a judgment of priority in favor of Lott over the Peiler application filed in 1914. This was rather unexpected to Lott's attorneys, and accordingly, an adjournment of the testimony in 43,442 was taken on Monday, to permit us to thrash out some plan by which Lott's testimony could be taken in all of the In-

terferences at the same time, once and for all. Inasmuch as Tucker & Reeves are also parties in 39,376, these negotiations will probably take some time, and I do not apprehend that the testimony will be resumed until Christmas holidays are over. We had gotten in about four days cross examination of Lott when the proceedings were suspended.

Yesterday after-noon, while we were working on the question of Lott's proofs for awhile, Honiss sought to take up with me some questions as to the relations of the Hartford-Fairmont and Empire Company. These will probably interest you. He opened this up by stating that Mr. Goodwin Smith had just written him that Canfield had been to Hartford about getting a paddle feeder for the General Elec- [fol. 60981] tric Company, and desired to know whether some arrangements could not be made by which,—(a) The Hartford-Fairmont Company could reserve title to any feeders they subsequently delivered to us, the same as they did with feeders delivered to other licensees, and—(b) Some royalty return could not be arranged for the Hartford-Fairmont from the General Electric Company from bulbs with the paddle feeder. I of course expressed great surprise at these propositions, pointing out that as far as the paddle *n*eeder was concerned we had absolute rights to build them ourselves if we wanted to for bulbs, and that royalties resulting from the bulb use of the paddle feeders under the arrangements between the H. F. and Empire Co., went to the Empire Co. as their share of the original deal, and that I did not think that you would consider any proposition looking to any modification of this. Honiss promptly dropped this, and I think from his manner, thought it safe to assume that he was not in sympathy with the proposition, and only took it up at all because he was directed so to do by Smith. The truth of the matter is that the Hartford-Fairmont Company have been very much annoyed by the fact that the General Electric Company has, by a hurried filing of an application in Great Britain, obtained a patent on a device which the Hartford-Fairmont Company had an application pending on in the United States. The U. S. patent of the Hartford-Fairmont Co. issued about the 28th of August 1918, and Gray, acting for the General Electric Company, filed an application in Great Britain on the 14th day of September, of the same year. Under the English law, a United States patent is not a bar to a British application filed by an applicant other than a United States

patentee, unless a copy of the United States patent is received in Great Britain for public distribution or inspection prior to the filing of the British application. In the present case, the coincidence is so great as to lead to the inference that the General Electric Company's representatives in the United States obtained a copy of the U. S. patent as soon as issued, and forthwith sent it with all haste to Gray to form the basis of the British application. Apparently some of the Hartford-Fairmont crowd (not including Honiss) thought that possibly the Empire people had some connection with this matter. I told him that of course this was absurd as far as the Empire Machine Company was concerned, or anyone acting for it. Between us, it seems to me possible that either Canfield had heard of the device of the United States application, and had casually mentioned it to Gray, when the latter was over here in the summer of 1918, or else that Gray, or some other G. E. representative had seen the device at some of the H. F. installations in this country, to which they had access, by reason of their relations with us, and had proceeded to pirate it abroad. I think it is unfortunate, and it will probably work for hard feeling and suspicion.

Honiss then brought up the question of the paddle needle feeders. I told him that we recognized that these were on [fol. 60982] a somewhat different footing from the straight paddle feeders, but also believed that we were on a different footing in respect thereto from any other possible licenses of the Hartford-Fairmont Company, as I had indicated in our talk with him, and as you had brought the matter up with Smith. He accepted this in principle, asking me what was our program of collaboration with the Hartford-Fairmont Company. At his request, I dictated in his presence, a letter, a copy of which I enclose for you. My belief is that Honiss desired this letter to strengthen his advocacy of a liberal treatment towards us. From what I have gathered from time to time, I am inclined to think that Honiss is our particular friend in their camp, and that there is perhaps some differences of opinion between Honiss and Smith as to how we should be treated. Honiss' ostensible reason for getting this statement was that every one should have something of record to form a basis of a discussion as to the future relations of the Company, but I noticed that he at several points interrupted the dictation to suggest phraseology thereof which strengthened our equities.

He then drifted over to the question of a general revision of our contracts, to clear up the debatable field, saying that there was no reason why the rights vested in us should not bring in profit to somebody if we had no intention of using them. I told him that our failure to utilize the right should not be understood as any expression of intention on our part not to do so, but was due to the fact that we had problems to solve both in the feeding, pressing and blowing lines for our ware, which had not been cleared as yet, but which we hoped to clear with the Gray Press, and the New "F" machines, although it was quite possible that some of the rights which we now have we might be willing to relinquish for proper consideration, especially as to straightening out the line of demarcation. I told him that you had this matter under consideration, and hoped some day to formulate some conclusions.

From what I have heard, I believe they would be interested in getting rights under our Canfield Process patent, for re-soaking, and under the Chamberlin patent of last week, on flowing glass. I understand that the Schram Company have discontinued the use of their flowing stream until the expiration of the Brooke patent next spring (they being under injunction), but that they will start their flowinfi stream again as soon as the Brooke patent expires. If so, they will be infringing the Chamberlin patent. Peiler let the cat out of the bag by stating that as soon as the Schram people started suit, they would want us to close them up under the Chamberlin patent.

[fols. 60983-60995] Further consideration and information of the patent situation on the paddle needle feeder confirms me in the advice I have heretofore given, that the paddle needle feeder is not as clear of infringement as the paddle feeder. Indeed, I have learned that they are very much concerned with this situation, and fear trouble, so much so that they are working on an entirely new line of feeder, differing both from the paddle and the needle feeder. When I see them entering into perfectly possible field without having rivalry, I cannot help feeling sore about what we are losing by our delay.

Yours truly, (S.) V. M. Dorsey.

MD/BS.

(Here follow 2 photolithographs, side folios 60996-60997)

GOVERNMENT EXHIBIT No. 1520

Philadelphi Office
519-520 Land Title Bldg.,

sulting
Engineers

THE COX AND SONS COMPANY

FOUNDERS AND MANUFACTURERS

Water and Hampton Streets

Bridgeton, N. J.

1147-2

December 14, 1921.

Vernon M. Dorsey, Esq.,
635 F Street, N. W.,
Washington, D. C.

Ref. - File 761.

Dear Mr. Dorsey:

I acknowledge your letter of December 8th, also enclosure from Mr. Smith. This letter I am returning herewith.

As suggested in your letter, I have given Mr. Smith's letter careful consideration. I still believe that the offer as per my letter of November 27th was most liberal and just. I have no desire to crowd the situation, yet I believe the license is worth $50.00 per unit.

GOVERNMENT EXHIBIT No. 1520

Philadelphi Office
519-520 La[illegible] atte .dg.,

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THE COX AND SONS COMPANY

FOUNDERS AND MANUFACTURERS

Water and Hampton Streets

Bridgeton, N. J.

1147-2

December 14, 1921.

Vernon M. Dorsey, Esq.,
635 F Street, N. W.,
Washington, D. C.

Ref. - File 7[illegible]1.

Dear Mr. Dorsey:

I acknowledge your letter of December 8th, also enclosure from Mr. Smith. This letter I am returning herewith.

As suggested in your letter, I have given Mr. Smith's letter careful consideration. I still believe that the offer as per my letter of November 27th was most liberal and just. I have no desire to crowd the situation, yet I believe the license is worth $50.00 per unit.

I told you in Philadelphia that we could trade on some mutually agreeable basis. I, therefore, suggest a compromise and let this compromise be a price of $45.00 per unit, which is meeting Mr. Smith half way and if this meets with his approval I would then think that we had arrived at the mutually agreeable arrangement.

I suggest that you communicate with Mr. Smith as soon as may be possible as I have other negotiations now pending and to what extent they may go I do not at this time know. I would therefore appreciate a telegram and if favorable, I can simply state that one license had been granted.

let to H.-F. Co

Yours very truly,

CFC/FER

Chas. F. Cox

60996

140184

GOVERNMENT EXHIBIT No. 1521

376

CLASS OF SERVICE DESIRED	
Telegram	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; otherwise the message will be transmitted as a telegram.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT — GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Form 1206
Sender's No.
Check
Time Filed

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Dec.19, 1921.

1147-2
GPB 2

Vernon M. Dorsey,
655 F Street, N.W.,
Washington, D.C.

I approve purchase Cox license at forty-five.

F. Goodwin Smith

Reject GPB 2

per from files of Hartford-Empire Company.
Reproduced at request of agent of Company
National Le[illegible] ed.
A. T. Safford, Jr. Secretary.

60997

1401818

[fol. 60998] GOVERNMENT EXHIBIT No. 1522

Copy of Letter from Mr. Dorsey, Dated Washington, Dec. 27, 1921

Mr. F. Goodwin Smith, % Hartford Fairmont Co., Hartford, Conn.

MY DEAR SMITH:

Your embarrassment the other day in New York was not a marker to my embarrassment on Friday when I received a visit from our good friend Mr. George Howard. I had to come nearer telling a story than I liked to when he asked me if I knew why the Owens Co. had not moved ahead with its suit. My answer was that I thought perhaps questions of title to the Lott patents were worrying the Owens Co. and that perhaps they had realized that they would not have a thoroughly easy procedure in suing and were considering other ideas. This latter anyhow was true.

Howard had with him Mr. Brown his attorney, and started to talk about what we had talked about in New York, namely, a division of fields and exchange of licenses. I told him that, speaking for myself and without knowing how anyone else would look at it, I thought that perhaps the cleanest and certainly the simplest procedure would be the formation of a single company to hold the patent rights, and suggested that perhaps Federal might be included in it as a junior partner as it were, as I could not see that anyone besides Hartford, Howard and Federal (the latter in a slight degree only) had done anything for development of the gob feeding art. Brown was at first inclined to demur at my suggestion but a little later on seemed to think it was the best solution of the problem. I pointed out that there were only two questions which had to be settled in this layout, viz., (1) participation in stockholdings of the new company and (2) the possible question of contractural relations with licensees as to their exclusive uses. Howard saw that as to the latter the interests of the licensees themselves would be met by insuring them against suits for infringement by the other parties to the combine and the suppression of further piracy. Howard said he was going home and think over my suggestion. In short, the matter was left in shape that gives you a second

string to your bow, if the Owens deal falls through, and you are in no way committed.

[fol. 60999] Personally, I repeat what I have said before that so far as affects the suppression of piracy and control of the gob feeding art, I believe the deal with Howard is more effective than any deal you can make with Owens.

As to the question of remuneration under the two courses, I can give no opinion, because I do not know what you can expect to obtain from the Owens Bottle Machine Co. in the way of royalties. In this aspect of the matter, however, I again say that you will not by reason of your deal with Owens be able to stop pirates and will not materially increase your royalties by the deal with Owens except in so far as royalties may come through Owens, at least for the present and until we can obtain the issuance of some of our own patents, which will not be facilitated by the deal with Owens itself. On the other hand, the deal with Howard permits an immediate, effective, offensive campaign coupled with the necessity of protecting our rear from Owens.

Yours truly, (Signed) V. M. Dorsey.

VMD/MS.

[fol. 61000] GOVERNMENT EXHIBIT No. 1523

Copy

Copy for Mr. Falck from Dorsey & Cole, 635 F St. N. W., Washington, D. C.

January 2, 1923.

Mr. F. Goodwin Smith, % Hartford-Fairmont Co., P. O. Box 1411, Hartford, Conn.

MY DEAR MR. SMITH:

In Re: License Fee for the New Single Feeder

I am in receipt of your letter of the 29th ultimo (initialed F. G. S. P. D.-2) in reference to the above matter.

As far as I know I had been standing rather alone in believing that we should, as it were, popularize our feeders, by removing restriction on the number of the licensees. This has arisen from the fact that I believe that the patent situation was being unduly strained by our present policy.

I of course recognize that monopoly is the very essence of our business and that the manner in which it is conducted and its capitalization will not permit us to meet purely commercial competition from our imitators, but after all monopoly is relative. That is to say perfectly good monopolies may be built up on very insufficient foundations if care be taken not to build up a too aggressive opposition. In the present case we have much more than a slight foundation, but it takes the exceptional patent (and one such only occurs during a life time) to withstand the united assault of an industry or of aggressive organizations within that industry. If the patent can not be broken, the incentive will be sufficiently great and the ability of the opponents sufficient to avoid it.

In applying, in my mind, these principles to the question presented in your letter, I would be in favor, on the facts stated in your letter of putting them out on a license fee of $2600.00 per feeder which under the figures given by you would cover the actual cost of the feeders built in lots of twenty-five, and take care in that lot of the expenses of the tool equipment. As a matter of fact it will probably not do so.

This figure will be something more than the license fee on the present Howard feeder, but as you say we save the factory the cost of the forehearth. Of course we cannot compare it in any way with the Miller feeder. That the new feeder will be relatively more costly at this figure than the paddle needle feeder is to be expected, and I do not think the glass manufacturer should expect to obtain a small unit at the same relative rate as a large unit. This is not true of any machinery.

[fol. 61001] It does not seem to me logical however that fair royalty rate for the single feeder should be greater than the royalty rate on the paddle needle feeder, and I apprehend that you will have some trouble in selling this idea, both on the grounds stated and because you will be meeting lower royalty rates from the pirates. As to the first point I think you are correct in saying the situation has changed as to a proper royalty rate since the paddle needle feeders were put out, due to the increased cost of hand production by the recent wage raise. As measured against the pirates rates we have greater assurance of patent protection, a better feeder and a better service. Moreover our policy of limiting the number of licensees for the protection of the

licensee requires that they pay something more than the royalty of feeders put out to anyone in the trade. Personally, as you know, I would be glad to see a more liberal (i. e. in a numerical sense) license policy adapted by the Company and to forego the right to claim the differential from our licensees last alluded to if we are getting it.

However, looking at this matter from the present policy of the Company, I am in favor of a license fee for a single feeder at the price given, i. e. $2600.00 and royalty at the figures named by you.

As to authorizing the building of the fifteen feeders at once, I am constitutionally opposed to expensive building programs until the machine has had a factory test under factory conditions, that is to say run by factory men. It does not seem possible in the case to await such a test. We are already behind in entering the field with a single feeder and for that reason alone it is necessary to put them out. Again we have talked a good deal about our single feeder and have proclaimed that we have it. Not to accept orders to be supplied at a date not later than that required for the building of a machine would be a confession of lack of faith as to our feeder which would be very detrimental. I therefore see nothing to do but to build the feeders and trust that the engineers have guessed right the first time.

Yours very truly, Vernon M. Dorsey.

VMD/rw.

[fol. 61002] GOVERNMENT EXHIBIT No. 1524

Dorsey & Cole, 635 F Street, N. W.,

Washington, D. C.

January 3, 1923.

In Re. Owens Negotiations

Mr. F. Goodwin Smith, % Hartford-Fairmont Co., P. O. Box 1411, Hartford, Conn.

MY DEAR MR. SMITH:

I am in receipt of your favor of January 2nd.

It would be amusing if it were not exasperating to see how brutally frank Ashcraft is in wishing to guide the policy of the H. E. Company purely from the standpoint of

the Illinois Glass Company. However, what cannot be cured must be endured.

Necessarily if we are to even consider the question of licensing the Owens present type plug feeder we must know the details of what we are licensing. Not only therefore should Mr. Bartlett see the Owens installation but the Owens Company should submit blueprints and other information as to what they expect to have the right to continue to use. If I mistake not, the Owens Company will increase their demand to such an extent that we will be able to show Ashcraft that their capacity of production on what they will be free to use without license and the cost thereof will menace the Illinois Glass Company and to that extent remove the pressure on our plant. I think it will be [fol. 61003] safe to say that the Owens Company will come over to a proposition of free use of all of our devices not involving a paddle.

It is all nonsense for Ashcraft to talk about not being worried about the Owens Company's use of single feeders. If it is true that he is not worried about the use of single feeders he has no ground whatever to complain that we have not stopped competition, because all competition is in the line of single feeders. I imagine that it is to these single feeders that Ashcraft is referring in talking about the rapidly developing use of flow feed, and if so, his letter bears contradiction on its face.

A copy of your letter of December 27th to Ashcraft reached me while Belknap, Attorney for the Owens Company, was in this office cross-examining Peiler in the Lott interference. To sound him out I mentioned the fact that our principals were again in communication, and from that time on during the three days he was here he never missed an opportunity of expressing his belief that it was a mistake for us not to get together and to wash our dirty linen in the presence of Tucker & Reeves. He carried this so far that his cross-examination of Peiler was very gentle, he telling me that he did not want to bring out anything that would hurt either of us. This may be of importance for you to know as indicating the attitude of mind of the patent product of the Owens Company. I on my part told him that [fols. 61004-61006] as far as I could see if we did get together it would be a mistake to consider the Lott Patents as the dominating ones or to do anything to weaken the

Peiler situation in that the Peiler situation was the one from which control must be obtained and I met no vigorous denial of this point of view.

Yours very truly, V. M. Dorsey.

VMD/rw.

[fol. 61007] GOVERNMENT EXHIBIT No. 1526

Copy

Washington, D. C., Feb. 19, 1923.

Mr. F. Goodwin Smith, c/o Hartford-Empire Co., P. O. Box 1411, Hartford, Conn.

Dear Sir, —

I am in receipt of your favor of the 17th instant, relative to my view of the deal with the Owens Company, and asking for specific questions as follows, —

Question (a), —

"Is the present patent situation such that we should bend our efforts at this time to try and arrive at an understanding with the Owens Company?"

Answer.

I see no reason for changing the views expressed in my letter of Jan. 12, 1922 to Mr. Falck, namely, that there is nothing in the *Patent situation* today justifying a surrender of substantial value to the Owens Company for the purpose of making friends of them.

Question (b), —

"If so, upon what do you base your conclusions?"

Answer

I of course recognize the value from a business standpoint of having the Owens Company friendly, and as a non-competing concern in the gob field, and furthermore, as relieving us from even possible litigation on the Owens and Brookfield patents. Since my letter of January, 1922, a whole [fol. 61008] year has passed, and the Owens people have made no move in the litigation. The Brookfield patents are fast expiring, and hence there is not now even the same in-

centive for the deal that existed last January. In short, I would favor a deal with Owens if made upon fair terms, but I regard every offer we have had from Owens as based upon an entirely erroneous and exaggerated idea of their values.

Question (c),—

"Can you see any reason why, in the future, the Owens Company will hold a position — patent-wise — which position will continually harrass us, although not necessarily stop us?"

Answer

I see nothing, not even on the horizon, which threatens us from the Owens Company.

Question (D),—

"How far will the Owens applications prove an obstacle to the issuance of our patents?"

Answer

We are at present held up primarily not by the Owens Company, but by Tucker & Reeves. Although Owens applications are involved in the Interferences in question, their settlement will be but little, if at all, expedited by removing the Owens applications therefrom.

Yours truly, V. M. Dorsey.

VMD/bS

(Here follow 4 photolithographs, side folios 61009-61012)

GOVENMENT EXHIBIT No. 1527

COPY FOR

FROM

1011[88]

DORSEY & COLE, 635 F ST. N. W., WASHINGTON, D. C.

May 29, 1924.

Mr. C. B. Belknap,
Penobscot Building,
Detroit, Mich.

My dear Belknap:-

In accordance with our talk I submit the following outline of the position on which I am tentatively forming my Briefs in Interferences 48,326, et seq. :

1. The Lott patents and applications disclose a structure thoroughly operative for feeding molten charges to be collected in a mold and to be severed from the orifice after such collection. They may even be operative to form mold charges by a process which

GOVENMENT EXHIBIT No. 1527

COPY FOR

FROM

1011[58]

DORSEY & COLE, 635 F ST. N. W., WASHINGTON, D. C.

May 29, 1924.

Mr. C. B. Belknap,
Penobscot Building,
Detroit, Mich.

My dear Belknap:-

In accordance with our talk I submit the following outline of the position on which I am tentatively forming my Briefs in Interferences 48,326, et seq. :

1. The Lott patents and applications disclose a structure thoroughly operative for feeding molten charges to be collected in a mold and to be severed from the orifice after such collection. They may even be operative to form mold charges by a process which consists in issuing the glass from the orifice and severing the issued glass at about the time of contact of its lower end with the mold. It is unnecessary for present purposes to consider this latter method of operation as distinguished from severing in suspension, because it is not involved in the matter immediately in front of us.

2. The Lott patents do not teach any process of collecting mold charges except by accumulation in the mold. This method of accumulation is the one illustrated in Lott as filed. If Lott had any other conception or a conception of severing in suspension as he has testified, his failure to describe such process in his application when filed resulted in an abandonment thereof.

3. The cycle of air pressures and vacuum and sheeping of disclosed in the Lott patents and applications is inoperative in producing mold charges to be severed in suspension for reasons fully set

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re C. B. D. #2

out in the testimony of Ovelan, Ore, an Peirce in Interference 59,376. This testimony is already in the hands of our common enemy.

The Lott patents and applications do not disclose any artificial rotation of gaseous masses. Any form that rotated gases may assume therein is merely a function of the shape of the structure and of a rate of flow which is uniform except as modified by pure natural gravitational forces.

In our discussion you have not raised, as I understand it, any serious objections to our taking these positions, but have rather intimated at least that it would not be desirable for the Wells Company to accept such terms these principles.

I doubt whether it is feasible or desirable for us together to straddle this matter in this way and this for the following reasons:

The Hartford-Empire Company is now the exclusive licensee under the Lott patents and probably under the decisions of the Supreme Court in Hartford vs. Ballin [illegible] U. S. 385, and under the cases listed in paragraph two of Walker, and particularly the case of Brodin vs. Sears 145 Fed. 964 may be necessary parties or else the defendant can make them parties plaintiff. Thus it is important that we in the future keep our skirts as clean as to Lott as you do.

In spite of this we believe that the attitude above indicated in the named interferences and in other contested matters is the attitude which will pay best in the long run.

We leave Lott and Brookfield standing as perfectly good mechanical combinations, not however as disclosing the present accepted cycle. We predicate patentability in our cases primarily the

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changes of cycle. If the defendants when sued under Brookfield and Lott attempt to differentiate on their difference in cycle and are even successful in avoiding infringement on this ground we do not believe that it is a serious matter for us conjointly because in so doing they will apparently irrevocably put their hands under the pending applications that we have and establish the patentability of those applications.

It is for this forcing the defendants to assume positions which will undoubtedly embarrass them in the future that we are particularly anxious for the litigation on Lott and Brookfield to be moved against them. Of course there is the other reason that there is a fair chance of holding them. I can best illustrate this by our own attitude when we were the parties defendant. We intended to set up and establish if possible the differentiation between the Lott cycle and our own, but in spite of this and in spite of all the equities we expected to endure we were distinctly afraid of Lott and Brookfield and in making up a balance sheet of chances we always regarded that if we had a third to our chance of winning any other defendant would have less than an even chance. Of course we could have taken the position as to suspended charge feeding with absolute safety and could force it to the ultimate conclusion which is not open to any other possible defendant. You will probably not in this litigation hear very much about the difference in suspended gob feeding and the Lott cycle if only one you do.

This brings up the question of the Pittsburgh decisions in the Hitchcock suit. Judge's position in that suit and the general

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Mr. C. E. B. #6

tenor of the Court's opinion we believe would greatly strengthen any suit brought by you on Brookfield against Miller or the United States Glass Company, the latter being one of the parties defendant in that case. I therefore propose to take up with Mr. Barnett the question of not perfecting the appeal in that suit which counsel I understand meets with your personal views.

You will see from the above the absolute necessity of settling our attitude as to Lott's disclosure at a very early date and that this settlement should be made in contemplation of a whole-hearted acquiescence by you in the plan from laid down.

After weighing the matter we see no objection to the interpretation which Mr. Carter suggests putting on the Ruby Lott patent, namely, a cycle in which suction takes place with the plunger down, provided this does not necessitate the adoption of another feature of the present accepted cycle, viz., a rise of the plunger immediately following the severing.

This letter is written to you under the supposition that you desire to have some concrete statement to submit to the officials of your Company in charge of the matter, and to your legal associates. Please let me have a reaction at a very early date. The brief is being prepared on the lines here laid out.

Very truly yours,

61012

WEM/ms.

140265

[fol. 61013] GOVERNMENT EXHIBIT No. 1528

Copy for Mr. Carter, July 2nd, 1924

Dorsey & Cole, 635 F St., N. W., Washington, D. C.

June 28, 1924.

Mr. F. Goodwin Smith, c/o Hartford-Empire Co., P. O. Box 1411, Hartford, Conn.

My dear Smith:

I am in receipt of yours of the 27th instant and thank you for taking so kindly the rather rough language in my letter of the 25th relative to Headley and Thompson.

I enclose herewith a copy of a letter received yesterday from Byrnes to the effect that he was really asking more than was indicated in my previous letter to you, of which I sent him a copy. As a matter of fact I strongly suspected this and halfway intentionally misunderstood him for obvious reasons.

In answer to your query as to my size-up of the Headley and Thompson situation I think there is a fair chance, in view of the attitude of the Patent Office on combining references, that Headley and Thompson will bull through claims reading on our narrow necks and perhaps reading on the I. S. if they can find out about the latter machines, and this in spite of our motions in the interference. If this is done it of course means that we will be brought face to face with litigation which may be actually backed by some of our feeder competitors as a means of embarrassing us. Under these circumstances it is part of wisdom to pay a safe game [fol. 61014] provided it does not cost us too much. This is purely a relative question and of course here is where the difference of opinion will probably be the strongest in our crowd. My own view is that we should not pay any large sum in advance of the actual issuance of the patent with the claims in question, but that provided the patent does issue with the claims in question we can afford to pay a substantial license fee for an exclusive license at least for a short time after the patent issues, in view of the advantage it will give us in marketing our formers. To illustrate, suppose the patent issues with broad claims dominating the rival formers as well as our own and we have a license which we pay, say five hundred dollars a year royalty on each ma-

chine. Such a patent would seriously cripple the ability of our competitors to market formers, and thereby increase our ability to sell formers for a limited period at least. Of course if the patent was declared void or was not vigorously shoved in suit, its terrifying effect would disappear. On the other hand we should not pay a license on any machines except such machines as are covered by the terms of the patent. In other words we should not agree to pay a license on all formers made by us, but only on formers falling under the patent. With this proviso, if we made such a deal now with Headley and Thompson and the patent had limited claims it might be that we would not be called upon to pay any royalty except under some minimum clause. We should not be saddled with this minimum if the claims are no good and are not broad, and therefore we should have the right to [fol. 61015] renounce the license contract in toto. Also we should have the right to change from an exclusive license to a non-exclusive license on a royalty to be fixed by arbitration. On the other hand we can not expect Whitall-Tatum to now give us for nothing what is practically an option on our part to take or reject in accordance with whether we find two years from now we have a good bargain or a bad one. As payment to Whitall, the following items might be taken into consideration:

(1) We not to oppose Whitall in getting the best possible claims, and to recognize the validity of the claims when issued, even after renouncing our license as above suggested.

(2) Some cash payment to Whitall, even though it be small, to indicate and show an intention on our part to go into the thing in earnest.

(3) An adequate royalty based on claims if when and as issued not as large perhaps as they would be able to charge and fix after such event has occurred, but still being a substantial portion thereof.

I imagine the above outline is about as far from your point of view as it is from Byrnes' and that it is liable to be turned down hard on both sides. On the whole however it means a bigger come-down for Whitall-Tatum than it does for us, and probably can only be sold to them, if at all, because it will give them means of getting feeders.
[fol. 61016] In this connection I am wondering whether or not it is wise for us to say that the former question must be

settled before we give them feeders. There is no direct relation between the two, except that we want to use the one as a club to put the other over. On the other hand if we should offer them licenses like we would offer anyone else and they should take those licenses it may well be that when the Headly and Thompson situation really becomes acute our relations with Whitall will be such that it would be easy to negotiate a contract with them. Of course they have talked about going into the game independently and joining the pirates and all that, but I am giving as much importance to this as I would give to the corresponding statement from any established concern who would be in position to give trouble.

Another serious question in my mind is whether or not, presuming that we fall down on the deal now, if it would be wise to make an attack on patentability in the Patent Office, except perhaps on the issues of the interference if we have absolute anticipations. In other words I doubt the advisability of having our art considered by the Patent Office in an interference proceeding, instead of holding it in reserve to be used in litigation when and if sued.

I will talk over the full proposition involved in this letter with Brown, who will probably differ with me, but who will be able to translate my meaning to you.

Yours truly, V. M. Dorsey.

VMD/em.

[fol. 61017] P. S. Since dictating the above I am in receipt of a letter of June 27th from Byrnes, copy of which I herewith enclose.

Please note how closely Byrnes' suggestion about handling the matter independently fits in with what I suggested above.

VMD.

P. S. Since writing the above Carter telephoned he will be here Tuesday morning and then go to see you in Hartford.

VMD.

[fol. 61018] GOVERNMENT EXHIBIT No. 1529

May 20, 1931.

Forming Machine Patent Situation — Headley & Thompson, Lynch

On Tuesday, May 19, Messrs. Carter, Dorsey, W. J. Belknap, Krey, Hatch and Brown discussed in Mr. Dorsey's office, Washington, the present patent situation with respect to the Headley & Thompson applications of Whitall-Tatum, the interference between Bridges (Lynch) and Headley & Thompson, and the recently issued Lynch patent.

All agree that no steps should be taken to alter the present license arrangement between Hartford and Whitall-Tatum until after the decision of the Circuit Court of Appeals at Philadelphia in the Hazel-Atlas case, and until conversations between Messrs. Bacon and Werbe and between the Hartford management and Werbe give more information as to the attitude of the Lynch Company.

All agree that the patent value of any claims to be obtained by Whitall-Tatum after the interference with Lynch has dwindled almost to the vanishing point and that unless an unfavorable decision in the Hazel-Atlas case, or other factors at present unknown, make it desirable to continue the license arrangement between Hartford and Whitall-Tatum, it will be advisable to cancel the license arrangement. In arriving at this conclusion, the following questions were discussed:

1. Is there sufficient patent value remaining in the Headley & Thompson applications to warrant continuing our license? That is, what chance is there that the H & T applications will issue with claims dominating (a) any Owens or Hartford forming machine, or (b) the Lynch and O'Neill gob-fed machines?

Our answer is that there is only a very slight chance, of the order of 5 or 10 per cent, that the H & T applications will issue with any claims which can be sustained against the Hartford No. 12 machine, the Hartford I. S. machine, the Owens AY machine, or the Miller MA machine (Hazel-Atlas); or with any claims of sufficient scope to make it desirable, from a patent standpoint, to continue with any license, even non-exclusive, under the H & T applications.

We conclude further that there is a somewhat greater chance, although not much greater, that one or both of the

H & T applications will issue with claims that can be sustained against the old types of Lynch machine and against the O'Neill gob-fed machine. The chance of such eventual coverage of Lynch and O'Neill is of the order of 10 or 15 per cent. Such valid claims as will probably issue and cover Lynch and O'Neill can apparently be avoided without much trouble.

[fol. 61019] These conclusions are reached in view of lack of invention over the prior art, intervening rights between the time the applications were filed and the time when claims of the type now standing were made, and the broad and indefinite nature of the claims.

Our detailed opinions as to each of the claims now standing allowed and reading on the various forming machines are given below.

2. Does the possibility that a deal may be made between Whitall-Tatum and Lynch warrant Hartford and Owens in continuing its license agreement with Whitall-Tatum, aside from the value of the claims to be expected in the H & T patents?

Answer: No. If Whitall-Tatum and Lynch should combine forces and bring the interference to an end by agreement, they might perhaps improve the claims somewhat, but this does not change our opinion that the chances of H & T obtaining dominating claims are slight. If W-T and Lynch should make an agreement promptly, and could obtain the issue of a patent to Whitall-Tatum promptly, it would be to the advantage of Hartford and Owens to maintain the status quo until the issue of such a patent, so as to make a final decision on the basis of the patent as actually issued. However, even if Lynch and W-T should come to an agreement immediately, it will take at least two years to issue a patent with dominating claims, because the latest decision of the Board of Appeals in this interference casts a cloud upon many of the claims previously allowed, and such claims should be rejected by the Primary Examiner after the interference is ended. It would require another appeal to the Board and perhaps to the Court before the Board's decision could be modified, and there seems little chance of obtaining modification of that decision.

Therefore, we believe that the prospect of a deal between W-T and Lynch does not of itself warrant continuing our license arrangement with W-T. There is a possibility that

if Lynch and W-T get together and settle the interference, the claims, or some of them, might be thrown to Lynch, but we do not think that Lynch can obtain a better patent than H & T, especially in view of the Graham & Miller bottle machine, which was in commercial use from 1911 on. However, Lynch may be able to claim desirable details not disclosed by H & T, or by Graham & Miller. In that case, our license with W-T would be of no advantage, as we would have no rights in such Lynch claims, unless W-T should obtain such rights for us, which they are not bound by the license contract to do.

[fol. 61020] 3. Is it desirable for Hartford to make a deal with Lynch in respect to patent rights? Our information is still incomplete as to the validity of the recently issued Lynch patents and as to our own coverage of the new Lynch machine. Therefore, no answer is made to this question. There are strong indications that most of the more important claims of the Lynch patent are invalid.

The following are notes as to the individual claims of the H & T applications reading upon the various forming machines under consideration:

Headley & Thompson Application 60,744

This application contains the following claims which read verbally upon the machines indicated:

I. S. Machine — Claims 26, 33, 34, 85, 86, 91 and 93.

No. 12 Machine — Claims 44, 77, 85, 86, 91, 93, 100.

Owens AY Machine and Hazel-Atlas MA Machine — Claims 44, 77, 85, 86, 91, 93 and 100.

Lynch (old types) and O'Neill (gob-fed) Machines— Claims 21, 23, 24, 25, 26, 27, 28, 30, 32, 33, 34, 35, 43, 44, 45, 46, 47, 48, 49, 50, 58, 65, 77, 85, 86, 91, 93, 100.

Claims Reading on I. S. Machine — Claims 26, 33 and 34. These relate to the use of a funnel through which a settle blow head acts. These claims are probably not anticipated, but can be avoided by not blowing through the funnel.

Claim 28 is also a funnel claim, based on Claim 53, which has been held invalid because of estoppel on the Garwood patent. The claim is probably not to be construed broadly enough to cover mere relative movement of a mold and a

funnel, because a rotary table with a fixed funnel is probably old in an early French patent, according to Mr. Dorsey. The claims, therefore, are considered readily avoidable.

[fol. 61021] GOVERNMENT EXHIBIT No. 1530

Dorsey, Cole & Garner, Washington, D. C.

August 19, 1937.

Mr. Amory Houghton, President, Corning Glass Works
Corning, N. Y.

Re: Chain and Turret Machine

DEAR AMORY:

I am in receipt from Parham of a copy of his report to Smith on this machine discussing Hartford patents reading thereon. A copy of this will be made and sent to Corning as soon as we have a chance. Our stenographic force is depleted by summer vacations.

Parham finds infringement of twenty-three different patents starting with those on the forehearth and ending with the blowing of the glass. Some of these infringements are very farfetched but I am wondering whether it is necessary to consider these twenty-three patents in detail and separately. Undoubtedly the machine is covered by the suspended charge patents. Hence, a royalty is payable thereon, the rate for paste mold ware such as we are making, being sixty percent of normal. I would dislike very much to put Corning in a position of acknowledging the validity and scope of some of the patents suggested by Parham in that this might mean we might be called upon to pay royalty on devices and operations which we have considered free of Hartford. I know that one or two of the patents have been before us previously and we have refused to concede infringement or validity. Cannot the royalty question be settled without consideration of each of these patents and without acknowledgment of the validity and scope of each of them?

Yours truly sgd—V. M. Dorsey.

VMD/EM.

[fol. 61022] GOVERNMENT EXHIBIT No. 1531

August 10, 1937.

Memorandum to Mr. F. Goodwin Smith
From S. F. Parham

Re Visit to Corning Glass Works at Central Falls, R. I., Plant, August 5, 1937. In re Corning Turret-Chain Machine and Other Paste Mold Operations.

On August 5th, together with Dr. Hostetter and Mr. Ingle, I visited the Corning plant at Central Falls, R. I., and there saw the operation of the new Corning Turret-Chain machine making lamp chimneys at the rate of 28 per minute. The ware was not being saved.

I also saw a Corning 399 Ribbon Bulb Machine, operating on tumblers. Also in this case no ware was being saved.

Also saw the Westlake Machine in operation making large bulbs commercially.

The Turret-Chain Installation

This installation included a Hartford Single Feeder employing a revolving tube, and standard, except as noted. The needle was not being reciprocated but was being employed as a stationary but adjustable plug to aid in the weight control and suspension. The operator told me that the point of the stationary plug was, during operation, approximately 1½" to 2" above the orifice. The feeder was provided with our latest Model KU Forehearth. The Hartford shears had been removed and in its place there was a specially designed rotary shear, comprising a standard which periodically moved about a horizontal pivot toward and away from the center line of the orifice. This standard carried a pair of notched shear blades which were continually revolved, passing each other at high speed. In order to maintain the high speed, the shears actually cut the glass only on every fourth revolution, the other three revolutions being idle and accomplished while the standard was away from the glass-cutting position. The shears bore some resemblance to the Hitchcock shear blades, differing therefrom functionally in that they cut in a plane well spaced from the orifice and apparently were driven at

a uniform speed rather than through the elliptic gears shown by Hitchcock.

[fol. 61023] These shears severed charges while they were in suspension a fraction of a second before the charge was received in a two-part cup or preliminary shaper and transferrer. This cup comprises two portions, one a flat plate and the other a recessed cup, the cup having vacuum connections. The two halves of the cup were mounted upon a horizontal axis and were moved toward and from each other by independent cams. In glass receiving position the open cup was moved in line with the orifice, the upper edge being just below the shears, the cup in this position being split in a vertical plane. Immediately the shears cut, the cup sections closed to receive the charge, the receipt being aided by the application of vacuum in the hollow section. The lower shear blade appeared to throw the upper portion of the charge into the hollow section. The closing of the cup formed a patty with a slightly enlarged rim. After the receipt of the charge, the cup sections moved together away from the line of the orifice, opening as they moved away, the patty being retained in the hollow section by vacuum. The cup section also moved 90° about the axis of its own holder during this movement, and placed the patty upon a plate of the machine immediately over the orifice in the plate. There was a puff of air in the cup to effect discharge. The cup followed the plate during delivery for a distance of 2 or 3 inches. Then the cup returned for another charge.

During the operation, the glass issuing from the orifice appeared to be quite viscous, and I was informed by Mr. David Gray that it was at a temperature of approximately 1800° F. at that point. I specifically asked the operator of the machine about the relative timing of the closing of the cup and the shears, and he confirmed my observation that the complete severance of the charge preceded the receipt of the charge in the cup. I checked this also with Mr. Dorsey. His observation agreed with mine, that the charge was severed while in suspension and thereafter received in the cup.

The forming machine comprises an upper horizontal flattened oval track upon which continuously moved 23 depending plate carrying heads. The track also carried a corresponding number of blow heads which were reciprocable vertically to pinch the glass on the plates and on the

edge of the hole in the plate, and to apply the blowing pressure. At the bend in the track distant from the feeder was mounted a turret carrying eight blow molds operating below the plates.

[fol. 61024] The turret was continuously rotated at the same speed of movement as the plates, so that the plates would register with the upper ends of the molds at the point of tangency of the straight portion of the track and the blow mold circle. The molds were hinged at the bottom, the outer section falling away from the inner section. The inner section was moved radially at the same time that the outer section was moved about its horizontal pivot, the movements of opening and closing the molds being accomplished for each mold by an air cylinder and suitable rigging so that when the cylinder was actuated, both halves of the mold were moved.

Each of the depending heads was mounted for rotation about the spindle from which it was suspended. On the lower portion it carried a slideway in which its plate was mounted for movement inwardly and outwardly of the path of movement of the units.

At the time that the patty is placed upon the plate, it is distant from the blow mold which is to receive the parison to be formed approximately the space occupied by eight heads. The plate at the time of the receipt of the charge is in its most projected position outwardly of the frame. Upon the receipt of the patty, it is immediately retracted into the vertical plane of the blow heads. The glass begins to stretch through the orifice, the blow head comes down and pinches the rim against the plate. The head rotates and the blank is developed by air during the space occupied by four or five heads when the rotation ceases while elongation by gravity continues. During this period, the glass passes between two conduits which provide cooling air. By careful regulation of the cooling air, in conjunction with the control of the parison blowing, the rate of elongation and the characteristics of the development of the blank are controlled. At or about the time the parison arrives adjacent the blow mold turret, the blow molds which have been open and cooled by water, close about the parison, the heads rotate and the ware is blown through approximately half of one rotation of the blow mold turret. The blow mold opens as it arrives on the line of tangency of the opposite run of the heads and the

plate with the blown article travels away from the mold. The plates are projected and the article cracked off slightly more than half way of the straight return run of the heads. At the curve of the track adjacent to the feeder, the parts again resume their positions preparatory to receiving another patty.

From the above description it will be seen that the machine is neither a ribbon machine nor a straight-line machine of the 399 contract.

[fol. 61025] At our meeting it was understood by Mr. Dorsey and Mr. Curtiss that I was to submit to Mr. Dorsey my findings as to the application of Hartford owned patents to the turret-chain machine and feeder.

The following patents relating primarily to the feeding method and feeder mechanism appear to apply to the installation:

Peiler No. 2,073,572—Claims 19, 24, 25, 30 and 31. Suspended Charge Feeding with Viscous Glass and Spaced Shears.

Steimer No. 2,073,571—Claims 5 and 6. Suspended Charge Feeding Broadly.

Peiler No. 1,781,340—Claims 1, 2, 3, 6, 11, 12, 13, 14, 16 and 18. Suspended Charge Feeding by Employment of Stationary Implement.

Steimer No. 1,588,393—Claims 11 and 12. Independent Control of Heating and Removal of Heating Gases from Furnace and Forehearth.

Mulholland No. 1,603,974—Claims 1 and 2. Forehearth Heating.

Peiler No. 1,656,869—Claims 1 to 10 inclusive. Forehearth Temperature Control.

Tucker & Reeves No. 1,864,277—Claims 23, 25, 26, 27, 28, 29 and 41. Shear Cooling and Lubricating Means and Method.

Peiler No. 1,760,435—Claims 18 and 19. Shear Cooling Mechanisms.

Note: I am not altogether clear as to just how the shear cooling is effected and by what medium. I know that there is shear cooling and if the two patents above mentioned are erroneously cited, Mr. Dorsey will correct me.

Ferngren No. 1,677,436—Claim 25. Combination of Feeder, Forming Machine and Transfer Cup.

Peiler No. 1,756,493—Claims 37, 41, 44, 45, 46 and 49. Transfer or Delivery Device Moveable with Charge Receiver While Delivering Glass Thereto.

Peiler No. 1,600,962—Claims 1, 4, 6, 8, 10 and probably others. Insulated Orifice.

[fol. 61026] Steimer No. 1,788,413—Claims 4, 5, 13 and 15. Feeder Implement Mounting.

Peiler No. 1,760,254—Claims 8, 9, 10, 11, 13, 25, 26, 28, 34, 43, 44 and probably others. Single Feeder Mounting and Adjustments for Tube and/or Plunger, etc.

Peiler No. 1,873,021—Claim 20 and probably others. Adjustable Mounting for Feed Control Means.

Miller Reissue No. 18,581—Claim 65. Method of Controlling Feed by Lateral Adjustment of Discharge Regulating Implement.

Peiler No. 1,828,720—Claims 10, 11, 12, 13 and probably others. Feed Basin Insulation and/or Support Structure of Single Feeder.

Peiler No. 1,909,152—Claim 11. Mounting for Forehearth.

Tokunaga No. 1,612,756—Claims 1, 2, 3 and possibly others, Rotary Tube for Single Feeder.

Peiler No. 1,920,593—Claims 1, 2, 8 and 9. Charge Receiver and Transferrer and Method.

In Addition to the foregoing we have pending cases specifically directed to the Type KU Forehearth which is employed in the Central Falls installation, and in which we have certain allowed claims.

Forming Machine Patents

Smith Reissue No. 19,439—Claim 24 and probably others. Glass Holders with Orifices to Support Separated Quantities of Glass and Means for Attaching Glass to Holder and for Rotating the Holders and Glass.

Canfield No. 1,807,566—Claims 6, 56 and 57, and possibly others. Blowing Through Holder in Blow Mold.

Canfield No. 1,756,813—Claims 27, 29, 30 and possibly others. Combination of Supporting a Blank, Blowing it Interiorly and Applying a Controlling Fluid Pressure Exteriorly to Control the Configuration.

[fols. 61027-61032] Chamberlin No. 1,551,933—Claims 3 and 138. Blow Pipe Movable with and Relatively to its Moving Carrier.

I believe the foregoing list is complete though we may have missed some applicable patent. The foregoing should be sufficient for Mr. Dorsey's present consideration.

I believe the Turret-Chain installation is amply covered by Hartford patents.

S. F. Parham.

SFP:LWR.

[fol. 61033] GOVERNMENT EXHIBIT No. 1537

Dorsey, Cole & Garner

Washington, D. C.

June 28, 1937.

Mr. Amory Houghton, President, Corning Glass Works, Corning, New York.

MY DEAR AMORY:

I want to amplify somewhat on my statement made to you in New York Thursday as to the "burn-off" situation. I then told you that we could break the broad claims without a doubt, but this does not necessarily mean that there will not be detailed claims which will stand reading on the structures which Libbey Glass may have incorporated in their machines. In other words, if we install at Central Falls Plant machines which Macbeth has obtained from Libbey, we will undoubtedly be either forced to discontinue their use later and supplant them by machines of our own design or make *which* deal with Libbey.

From my talk with Bunn in New York Thursday, it is my understanding that he is to give us the privilege of using the Libbey machines at Central Falls for a definite period without incurring liability as infringers or without being bound as licensees. While the above is a warning as to what we might have to do in the future, from my talk with

Bunn, I do not believe there will be any difficulty in the amount of royalty which we will be called upon to pay to continue the use of the machines. He emphatically stated to me as he has undoubtedly stated to you that he would not regard the royalty due on the "burn-off" machines as in any way comparable with the royalty which should be payable for the use of the chain machines in making tumblers. More than that, Bunn is thoroughly convinced that what I have told him about the invalidity of the broad "burn-off" patents is true and that we can break them. Naturally he will not take this risk.

Yours truly, V. M. Dorsey.

VMD:MK

(Here follow 4 photolithographs, side folios 61034-61037)

GOVERNMENT EXHIBIT No. 1538

COPY F' Mr. S. F. Parnam

FROM

DORSEY, COLE & GARNER, 1346 F ST. N.W., WASHINGTON, D.C.

1171-5

October 19, 1938 X-369

Mr. W. H. Curtiss
Corning Glass Works
Corning, N. Y.

Re Hartford-Corning relations

Dear Curtiss:

Parnam is in the office as arranged by telephone

GOVERNMENT EXHIBIT No. 1538
Mr. B. F. Parnam

COPY F'

FROM

DORSEY, COLE & GARNER, 1346 F ST. N.W., WASHINGTON, D.C.

1171-5

October 19, 1938 X-369

Mr. W. H. Curtiss
Corning Glass Works
Corning, N. Y.

Re Hartford-Corning relations

Dear Curtiss:

Parham is in the office as arranged by telephone and we have gone over the patents under which Hartford desires Corning to release exclusives in order that such patents may be licensed to Lynch for use, as Parham expresses it this morning, in press and press and blow machines of the same general type as are now manufactured by Lynch. He tells me this last limitation is one that was not talked with you and Amory but was talked with Goodwin after seeing you.

The patents under consideration are:

Lorenz, 1,740,310 of December 17, 1929.

Claims 7, 8, 11, 32, and 44 are directed to a common mechanical drive for a feeder and former with an interposed clutch to permit stopping the operation of the shaping machine while the former continues in operation, and, as a separate invention, throwing out a clutch for the glass working machine on the abnormal operation of any of the instrumentalities of

1404

the glass working machine. This latter is covered by Claim 44.

Lorenz. 1,800,191 of April 7, 1931.

Claim 78. This is for a specific improvement on the first named Lorenz patent in that the clutch is thrown out by the plunger remaining an abnormal length of time in its lower position.

O'Neill. 1,758,085 of May 13, 1930.

Claims 15, 17 and 18 are for transfer mechanism for 2-table machines.

Stenhouse. 1,601,836 of October 5, 1926.

Claim 38 et seq. This is on a specific mechanism for sliding the bottom plate of a mold.

Lobb. 1,873,042 of September 20, 1932.

Claim 46. On another specific mechanism for sliding the bottom plate.

O'Neill. 1,668,735 of February 7, 1928.

Claims 8, 9, 14, 28 and 29 are on a specific type of mold and mold lock, and Claim 40 on a mechanism for retarding a mold table actuator.

Ingle. 1,848,160 of February 2, 1932.

Claim 6, which is a very limited claim on a valve actuating mechanism for air driven forming machines.

After looking at these patents, my conclusions are as follows:

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The two Lorenz patents expire in 1946 and 1948 respectively and have some possible value but would not at the expiration of the feeder patents per se give any valuable control on feeding machines by a reeder. They can be easily avoided without serious loss of efficiency.

Claim 44 of Lorenz patent 1,740,310 has a value if valid but on general principles I am inclined to think that the claim is invalid as being entirely too broad and covering a result desirable in itself without limitation to the means by which that result is obtained.

It will be noted that the last of these two patents expires only three years after the broad feeder patent, and if our monopoly after the expiration of the feeder patent is to depend on these two patents, it will be a very shaky monopoly.

The other five patents listed are all on mechanical details.

The Stenhouse patent and O'Neill patent 1,658,735 expire prior to the feeder patents. O'Neill patent 1,758,085 expires a year after the feeder patents.

The Ingle patent does not expire until '49 but I do not believe the claim in question valid, and in any event it can be easily avoided.

Lobb patent expires in '49 also but is also only limited.

In short, the only two patents which in my opinion

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any chance of
have/any substantial value to Corning would be the two Lorenz patents.

In view of the above I feel that so long as the feeder patents are alive and held valid we would never pursue under any of the patents listed for encroachments on our field, but it must be remembered that probably, unless some new scheme is developed, we will be in a very competitive field in 1946 and, under these conditions, even limited claims might be of value.

Yours truly,

VMD/EM

V. M. DORSEY

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[fol. 61038] GOVERNMENT EXHIBIT No. 1539 1171-5

November 26, 1938.

(Penciled in:) Attached to Amended Lynch Agreement dated Nov. 12, 1938.

Mr. W. H. Curtiss, Corning Glass Works, Corning, N. Y.
Re Lynch Contract Revision

DEAR MR. CURTISS:

I have received your letter of November 18th and I am somewhat embarrassed by the addition which you made to the form of letter which I sent you on November 12th, namely, the addition of the statement "and claimed in the following patents" and the recitation of seven patents. This puts us in the position of possibly, and as a matter of fact of actually having granted to Lynch by the Amended Agreement rights in certain inventions which we did not have.

As I pointed out in my memorandum of October 5, 1938, entitled "Proposed Revision of Lynch Contract", a copy of which was given to you, there were 11 patents which we have heretofore thought applicable to these types of Lynch machines, four of which had either expired or would expire within a year. Thus at the time of making the contract there were some of these earlier patents which were still in force.

Moreover, the essence of the revision of the Lynch contract was to permit the licensing by Lynch of its present Press and Press and Blow machines in so far as they embodied Hartford inventions existing on August 23, 1933, and I think your waiver should be commensurate in terms with our grant of the license to Lynch. Of course, it is true that in my discussions with you and with Mr. Dorsey I went into the detailed situation only as to the seven patents which were listed, and as a matter of fact, I believe that they are the only ones which require any real consideration. However I do feel that the formal waiver should [fol. 61039] be definitely in terms commensurate with the grant to take care of those patents which may have only a year or less of life, as well as any additional inventions of ours existing on August 23, 1933 which might be construed to apply to the particular Lynch machines as to which the license is granted. Frankly I do not know of any such ad-

ditional inventions, but it is conceivable that they exist without my knowledge.

Will you, therefore, not send us a waiver in the terms set forth in my draft of November 12th?

Very truly yours, —— ——.

SFP:LWR

Copy to Mr. F. G. Smith.

(Here follows 1 photolithograph, side folio 61040)

GOVERNMENT EXHIBIT No. 1540
8.1.5.1

252

CORNING GLASS WORKS
CORNING, NEW YORK

J-19



PATENT EXH. 1938.

OFFICE OF
THE PRESIDENT AND SECRETARY
WILLIAM H. CURTISS

December 1,1938

1171-5

Mr. Sidney F. Parham.

GOVERNMENT EXHIBIT No. 1540
8.1.5.1

252

CORNING GLASS WORKS
CORNING, NEW YORK

J-1P

PATENT DEPT. 1938

OFFICE OF
THE PRESIDENT AND SECRETARY
WILLIAM H. CURTISS

December 1,1938

1171-5

Mr. Sidney F. Parham,
Hartford-Empire Company,
Hartford, Connecticut.

Subject: Lynch Contract Revision

My dear Sid:

Replying to your letter of November 26th the alteration in the letter of consent prepared by you was made at the suggestion of Mr. Dorsey, but after further conference with him and Mr. Falck yesterday we are now satisfied to prepare and sign the letter exactly as you submitted it to us. Accordingly, such a letter is enclosed; and I would suggest destroying the other letter - we are destroying our copy.

Very truly yours,

WHC:HC
Enc.

61040

14042A

[fol. 61041] GOVERNMENT EXHIBIT No. 1542

1171-5

August 16, 1940.

Mr. Amory Houghton, President, Corning Glass Works, Corning, New York.

Lynch Agreements

DEAR AMORY:

I am enclosing the following papers which I have prepared in connection with the new Lynch Agreement—

Agreement Between Hartford-Empire and Lynch
Agreement Between Corning and Hartford-Empire

and draft of my proposed letter to Mr. Werbe of the Lynch Corporation explaining the new contracts.

I understand from Brown that he expects to see you and Mr. Falck on Tuesday, and that he will plan to discuss any suggestions that may be had from your side at that time.

Aside from the wording of the Corning Agreement, I should think that the Corning people should have their chief interest in Section 4 of the Lynch Agreement by means of which I have attempted to limit the license to Lynch to the now existing types of Lynch Machine. Mr. Werbe has not accepted this variant from the original contract. Mr. Smith [fol. 61042] very much wishes to include this limitation, particularly in view of the very low royalty which Lynch is willing to pay.

Very truly yours, Hartford-Empire Company, ——

——.

SFP:ERC

[fol. 61043] GOVERNMENT EXHIBIT No. 1543

8.1.5.11

Conference with H. K. Smith, Aug. 26, 1930

The question of glass research for Hartford was discussed with H. K. Smith and F. Goodwin Smith and they advised that Hartford was entirely satisfied with the progress which is being made and Corning's attitude toward the work.

Further information was given with reference to mayonnaise jars and the research work which we have carried on, and it was explained that we would prepare for the subsidiary of the Gold Dust Company the 100 samples which they have requested. The need for definite action, to the end that the prospective purchasers might not be disappointed, was explained.

The expiration of the Sullivan and Taylor patents is the thing which they fear most. It was conceded by Smith that their fears and contentions in this respect are limited to ware divisions E and J.

As to ware division E (electrical ware), they fear the use of other feeders and forming machines in the production of articles used in this field after the expiration of the patents and in an endeavor to correct this situation, they have two proposals:

(a) That their rights in this field be enlarged; or

(b) That they have enlarged rights after the expiration of the patents.

Their claim as set forth in (a) was fully discussed and Corning's position in this part of the industry was explained to the best of the writer's ability. The soundness of our contentions was admitted to a considerable extent and Smith asked what we would like to do with this ware division. My answer was that we would like to have it remain as it is at present. I believe that we can maintain this position.

As to (b), their contentions are more vigorous and it seemed advisable to eliminate from this field by the application of economic principles as many articles as could be, to the end that when it became necessary to say "No" our action would not seem so harsh. Smith seemed to think that Pyrex could be commercially substituted for ordinary lime glass. Without being able to give actual costs, it was explained that the cost of the production of articles from this glass greatly exceeded the cost of producing corresponding articles from ordinary lime glass—this because of batch composition, melting, molding and finishing costs, etc. This seemed to come as a complete surprise to him. He also was of the impression that this glass was considerably superior to ordinary lime glass in the matter of strength and was

[fol. 61044] Note: It is not the glass composition patents which now keep others from using H. E. equipmt in the field

of resistant glasses; it is the terms of the H. E. Formation Agreement. There are plenty of unpatented good resistant glasses. A certain defined field was reserved to Cg. irrespective of patents. The expiration of glass patents therefore creates no new situation. It is created by the growth of CGW business.

quite surprised at my statement that it did not possess this quality to such a degree as to give it any advantage over ordinary lime glass in the production of cheap containers. It is in the field of medicine that they have the greatest fear, and my position was that there was little likelihood of Pyrex being substituted for ordinary lime glass in this field, inasmuch as the costs were considerably greater with no appreciable increase in strength. They also fear the use of this glass in the production of beverage, perfume and toilet bottles, and my answer to this was the same as in the case of the medical bottles.

[Note on side margin:] WRG memo Aug. 22 states they have conceded our rights to spl glasses for medical contrs.

In connection with this discussion, Smith asked several questions, the answers for which I promised to get for him—

1. Will the glass characteristics which preserve medicines also preserve foods?

2. When do our patents relating to light exclusion expire?

3. How does the strength of Pyrex compare with that of lime glass?

4. Is Pyrex useful for the production of containers, and, if so, for what types?

5. Would the stronger glass which we are undertaking to develop for Hartford-Empire come within ware division C?

Smith expects to come to Corning about the 30th of September and it was suggested that we have what I chose to term a "products conference", to the end that he be fully advised as to the various articles which were reasonably susceptible to commercial production from the various glasses. I feel that complete information along this line will help materially in reducing the importance in their

minds of the right to have their machines used in the manufacture of Pyrex after the expiration of the patents.

It seems inevitable that some factories will undertake the production of Pyrex after the expiration of the patents. Assuming that we give no information as to the technical handling of this glass and that the production is confined to the J field, would the condition of the Corning Glass Works be materially worse if Hartford feeders were used by those who manufacture instead of some other type of feeder?

WRG:D.

cc-A. Houghton; Dr. Sullivan; Mr. Curtiss; Mr. Falck.

[fol. 61045] GOVERNMENT EXHIBIT No. 1545

To Mr. Amory Houghton, cc Judge Green

Subject Special Sub-license to Macbeth-Evans Glass Co. under our Rights to H-E Feeders

January 13, 1932.

The attached outline is now intented to be in a form which, subject to further revision, can be submitted to Macbeth-Evans Glass Company.

WHC:HD

[fol. 61046] Copy of Notes in pencil.

1/13/32.

Outline of license to Macbeth-Evans Glass Co.

Recital of (a) M-E present license for H-E feeder

(b) Corning's exclusive rts. to the use of that feeder in the manufacture of ware made from glasses having a coeff. of 1. exp. of less than .000006 per degree Cen.

(c) M-Es desire to obtain rights from Corning to make certain enumerated articles by means of H. E. feeder.

(d) Corning's willingness to accept, as part consideration for this grant, rights to M-E. inventions and development to be used by Corning in certain designated fields.

1. Non-exclusive, non-transferable, non-divisible license to use any feeder M-E. is now entitled to use by virtue of its license from H-E. for the manufacture within the U. S. of the articles listed in Schedule, made from a glass having a

lin. coeff. of exp. of not less than .000004. per degree Centigrade, but not within claims of S & T 1304623—samples.

2. License fee? (Have consid. for value of "secret processes" and of fact that royalties will cease with expiration of feeder patents.)

3. Royalty on production—Same rates as pres. feeder license or ——% higher? (Corning will pay H. E. 60% of *normal* or *present* rates.)

4. Usual accounting provisions.

5. Duration? Since expiration of patents not to govern a definite termination date shd. be mentioned—10 yrs.? or —— years beyond feeder patent expiration?

6. Corning to provide technical assistance in the operation of the licensed mchy. and full benefit of its knowledge in the special adaptation of the mchy. to the manufacture of the glasses and articles of this license—M. E. obligated to keep strictly the secret nature of knowledge disclosed.

7. M. E. to give to Corning a free, non-exclusive, non-transferable, non-divisible license to use any of its mechan. development—now available & which may be developed during period of this contract for use in the mfg. of

(a) bulbs, tubing and cane etc.
(b) all articles of low exp. glasses *other* than this license

8. This license subject to general terms, obligations and restrictions of M. E. license from H. E.
(Is this practical? Changes and improvements in feeder mechanism)

9. Agreement by M-E of exclusion from Corning's designated fields.

[fol. 61047] 10. Restriction to volume mfd. under license (quota).

11. License not to fall upon the failure or voiding of any one element of the contract (e.g. feeder patents declared invalid).

12. Instead of setting up positive price control, provide for conducting business under license without unfair competition, unjust trade practices etc. & provide for arbitration.

13. Provide for increasing royalties or other payments if quota is exceeded, prices cut, etc.

See section 14—Art. II—Glass contract for limitation on Corning in granting licenses for *"containers"*—

Apparently this restriction wd. not apply in M-E case because it *is* a H. E. feeder that they are using.

Section 15—Guaranty of royalties—

Section 16—Accounting.

In re Macbeth Evans license

When it is determined just how far we can go *legally* in imposing restrictions on a feeder licensee, review the advantages and disadvantages to Corning in granting the license. What will we get from M-E?

[fol. 61048] GOVERNMENT EXHIBIT No. 1546

Copy

8.1.5.1.

Outline of Agreement With Regard to Exchange of Rights Between Corning Glass Works and Macbeth-Evans Glass Company.

1. Corning grants to Macbeth a non-exclusive, non-transferable, non-divisible license under certain United States patents to be listed in a schedule attached to the license, for the manufacture in the United States of articles to be listed in another schedule attached to the license, made from a glass having a linear coefficient of expansion of not less than 0.000004 per degree centigrade and not more than 0.000006 per degree centigrade. The intent of this provision is that Macbeth-Evans shall have a license to use under any Hartford-Empire feeder patent for which Macbeth now holds a license from Hartford-Empire and under any Hartford-Empire feeder patent under which Corning holds rights from Hartford-Empire.

2. Macbeth acknowledges the validity of each licensed patent in its licensed field and agrees not to contest the same, but with the usual provision for release from acknowl-

edgment of validity in the event of declaration of invalidity by an unappealed court decision.

3a. This license is not to be construed as a license to Macbeth under any glass composition patent owned or controlled by Corning.

b. Corning specifically disclaims that the license includes any articles falling within fields where Corning has, as regards Hartford-Empire feeder inventions, no rights or limited rights.

4. Royalties: The schedule of royalties that is to be paid is to be identical with the schedule of royalties under Macbeth's present license from Hartford-Empire.

5. Corning covenants to render to Macbeth technical assistance in the operation of the licensed machinery and will make available to Macbeth all of its knowledge and development in the special adaptation of the licensed machinery to the manufacture of glasses of the character included in the license, as well as all of its improvements in the licensed machinery as applied to the manufacture of the licensed articles of ware from such glasses. Macbeth obligates itself to keep strictly confidential all such knowledge disclosed or assistance given.

6. Macbeth grants to Corning a free, exclusive, transferable and divisible license to use any of Macbeth's developments now owned or which may be developed during the period of this agreement for use in the manufacture of:

[fol. 61049] a. Bulbs, tubing and cane for electric lamps or other electrical devices comprising sealed enclosures;

b. Ovenware, scientific or laboratory ware and apparatus, and insulators.

7. Macbeth grants to Corning a free, non-exclusive, non-transferable, non-divisible license under the same inventions and developments as provided in Section 6 above, for use in the manufacture of all articles other than those included in Section 6, made from glass having a linear coefficient of expansion of 0.000006 or less per degree centigrade.

8. This agreement shall extend for a period of fifteen years.

9. Macbeth shall render detailed statements of the ware made and sold under the license, monthly or quarterly as may be agreed upon, together with royalties due. At the request of Corning Macbeth will furnish from time to time samples of the glass or glasses being manufactured under this license in order to carry out certain of its provisions.

10. Macbeth obligates itself not to manufacture and/or sell any ware defined in 6*a* and *b* above during the period of this agreement.

11. Macbeth obligates itself to manufacture under this license no articles whatsoever except those listed in the schedule, save that upon application to and permission by Corning, additional articles may be listed in the schedule.

12. Since this contract involves the exchange of useful information, technical knowledge, etc., outside the scope of feeder patents, its terms, conditions, obligations are independent of the expiration or declaring invalid of any such feeder patents.

13. Manufacture and sale of ware under this license shall be conducted without unfair competition, unjust trade practices, and the usual arbitration plan shall be set up to determine such unfair competition or trade practices.

WHC:HD, 1/20/32

[fol. 61050] GOVERNMENT EXHIBIT No. 1547

Copy

Macbeth-Evans Glass Company, Charleroi, Pennsylvania

February 18, 1932.

Mr. W. H. Curtiss Vice President, Corning Glass Works, Corning, New York.

MY DEAR MR. CURTISS:

I wish to acknowledge with thanks, your letter of February 16th, attaching an informal draft of a proposed agreement with regard to the exchange of rights between the Corning Glass Works and the Macbeth-Evans Glass Company.

The proposals for the exchange of rights are not acceptable to this Company for the following reasons—

We do not consider the rights that Corning proposes to grant to Macbeth-Evans to be of sufficient value to Macbeth-Evans to justify our assignment to Corning, for use in the fields specified, of patents that have been issued to Macbeth-Evans without royalty to us.

Further, we do not feel that the best interest of our Company would be served by agreeing to refrain from participation in these fields on any basis of manufacture whatsoever for the proposed period of years specified in your memorandum—particularly so, when the Corning Glass Works does not agree in a similar manner to refrain from participation in any of the fields of manufacture in which this Company is at present engaged. We have every desire for the continuance of existing friendly relations between our respective companies and would exceedingly regret the adoption of any policy that would lead to anything but friendly competition between them but under no circumstances would this Company bind itself to adopt a policy in regard to Corning's fields if Corning is not willing to reciprocate with respect to Macbeth-Evans' fields.

Judging from what Mr. Houghton has said regarding the policy of the Corning Glass Works, I have small hope that an agreement between us can be reached on this suggested basis. However, I will be most happy to go over the matter in greater detail with you at your convenience.

[fol. 61051] I suggest that we return to status quo, which I understand to be that we have a patented process for the manufacture of bulbs that Corning desires to control in order to preserve a mechanical monopoly in that field. We also have a patented method for pressing glassware that might be applied to advantage in the manufacture of baking dishes, and likewise, a patented glass which may or may not be practically applied to the manufacture of bulbs. The Corning Glass Works has had and still has an opportunity to acquire whatever rights under these inventions, they desire. Since my suggestions whereby these rights might be acquired by Corning have not borne fruit, we would be most happy to entertain suggestions from Corning as to what consideration they are willing to give for them.

With kindest personal regards,

Yours truly, Geo. D. Macbeth, President.

Geo. D. Macbeth/JAP.

[fol. 61052] GOVERNMENT EXHIBIT No. 1548

8.1.5.1

Re: Hartford-Corning License to McKee

October 14, 1932.

To: Mr. W. H. Curtiss.

From: Wm. R. Green, Jr.

Reference is made to Goodwin Smith's letter of the 12th. It seems to me that it would be extremely fortunate for us if the Hartford patents should overlay those covering the Shawkee and Kucera feeders, because licenses to us from Hartford come automatically under our existing contracts and we would accordingly have control, insofar as our fields are concerned, over McKee's use or license of either of such feeders.

It seems to me that we should have made immediately a careful study of the McKee feeder patents and the Hartford patents so that we may know the strength of our position. I question whether Hartford has come to a realization of our rights growing out of this situation.

I have made no study of the patent situation, but it is conceivable that we, ourselves, might find use for the Shawkee and Kucera feeders. In such case, no license would be needed from Hartford. It would be very fortunate, indeed, if these feeders could be adopted to the production of the small ware as to which Hartford does not seem willing to reduce the royalty.

Wm. R. G., Jr.

[fol. 61053] GOVERNMENT EXHIBIT No. 1549

Re: License to McKee Glass Co. under Corning Glass Works' rights to H-E feeders

January 24, 1933.

To: Mr. J. L. Peden.

From: W. H. Curtiss.

Confirming our understanding as a result of the conversation with M. A. Smith in Pittsburgh on January 19th, I think we should get our ideas together as to the limitation

of products that we could propose to McKee Glass Company for a license to use the Hartford-Empire feeder on heat resisting glass articles in which license McKee would agree to maintain prices on all licensed articles.

What McKee wants is a license that would be entirely unrestricted as to articles after our control through the Sullivan and Taylor patents ceases in 1936. He has, however, stated that he would be willing to accept a limitation in favor of Corning as to the laboratory and apparatus field and insulators. Will you try to set down other limitations (such as the electrical field but so defined as not to scare McKee too much) that would serve to protect our preferred lines of development.

WHC:HD, cc Judge Green.

[fol. 61054] GOVERNMENT EXHIBIT No. 1550

Re: License to McKee Glass Co. under Corning Glass Works rights to H-E Feeders

Date: February 9, 1933.

To: Mr. J. L. Peden.

From: W. H. Curtiss.

A meeting is being arranged with Mr. Morris Smith and the Hartford-Empire peiple which Mr. Amory Houghton or I or both of us expect to attend on February 17th.

Following up my memorandum of January 24th you have furnished me with a rough list of what you consider our line of heat resisting glass products. A copy of that list is appended hereto.

Ware Division C, as defined in the 1922 contract with the Hartford-Empire Company, is as follows:

"Ware Division C shall consist of glassware intended and adapted for use where its physical strength or heat resistance or chemical resistance or electrical properties in such ware is of substantial value, and made from glass having a linear co-efficient of thermal expansion of less than .000006 per degree Centigrade, or containing more than five per cent boric oxide, or having a higher electric strength, or higher thermal endurance, or higher chemical resistance

than a glass containing 80% silica, 10% sodium oxide, 5% boric oxide and 5% calcium oxide."

I would propose for our preliminary consideration that we grant a license to the McKee Glass Company to use the Hartford-Empire feeder in the manufacture of pressed and/or blown articles of glass falling within Ware Division C, for manufacture and sale only within the United States of America and excepting from the license the following lines of ware:

1. Laboratory ware and apparatus, pharmaceutical, medical and dental ware and apparatus.

2. Utensils, apparatus and equipment for chemical industrial plants.

3. Insulators and insulating equipment, apparatus and accessories.

4. Articles especially adapted by reason of form or composition for electrical purposes.

5. Railway, marine and traffic signal equipment including lantern globes, chimneys and battery jars.

[fol. 61055] It is, of course, understood that the McKee license will not be thus broadened until our control of compositions ceases in 1936. In other words, up to that time what McKee could make by the use of the feeder is strictly governed by his present licenses from us. You will note that quite a number of the items and lines that you list would be outside of this McKee license by limiting it to the United States and by limiting it to pressed and/or blown ware. We cannot expect, on the other hand, to protect our entire line of production and development. The lines suggested above would seem to me to cover about everything that we could legitimately expect to keep McKee out of.

WHC:HD, Encl. Cc Judge Green.

(Here follows 1 photolithograph, side folio 61056)

GOVERNMENT EXHIBIT No. 1551
c.i.5.1

CORNING GLASS WORKS
CORNING, NEW YORK

A

Office of
President and Secretary
WILLIAM H. CURTISS

April 26,1939

Mr. F. Goodwin Smith, President,
Hartford-Empire Company,
Hartford, Connecticut.

My dear Goodwin:

Referring to the Kimble-Wheaton matter -- the thing that is stirring up Kimble is that Wheaton is reported to be planning to use the four-head automatically fed I. S. Machine on serum bottles made from borosilicate glass. I assured Mr. Belknap yesterday that this must be a mistaken report because no permission had been secured from us to grant such a license to Wheaton.

Very truly yours,

WHC:HC

61056

[fol. 61057] GOVERNMENT EXHIBIT No. 1609

Copies to Messrs. Safford, Peiler

Saturday, April 9, 1932.

Mr. A. E. Payson, President, The American Thermos Bottle Company, Norwich, Conn.

DEAR MR. PAYSON:

Your Company has been a licensee of the Hartford-Empire Company for a number of years, and you are, as we understand it not only planning to continue your license relations with our Company but are contemplating a widening of your relations with our Company, as evidenced by a Feeder License Agreement entered into between our two Companies on the 22nd of December, 1931.

Toward this end it is our further understanding that from time to time your Company will wish to avail itself of our engineering services at our regular fees, and will wish to submit to us problems which will arise in your research and development work in connection with which you believe we can be of assistance.

It is obvious to both of our Companies that in order to adequately carry out solutions of these problems in the best interest of both Companies, as well as to provide your Company with the regular service and advice to which all of our Licensees are entitled, we must have access at various times to free contact with your Engineering Department and Laboratory. This will necessarily result in our being conversant not only with your manufacturing processes and developments, but with your new and unpatented ideas, which may from time to time come as a result of our mutual attempts to solve your problems.

[fol. 61058] We have contemplated working out together a contract which would define this relationship, not only in order to protect the exploitation of your ideas and developments, but also to provide a basis upon which your Company could acquire the right to use Hartford equipment, both present and future, in your particular field.

We have found it particularly difficult to negotiate a firm contract to accomplish this end, the principal reason being that such a contract would of necessity deal with processes and equipment not yet developed. It is impossible to relate unknown future equipment and processes to our present and

future contractual relations with our licensees, and further, impossible to place values upon such equipment and processes. Consequently, a firm contract dealing with these matters seems to us to be quite impractical.

In order to facilitate our mutual relationship, we are writing you this letter as an expression of our attitude toward your Company.

Your field of manufacture is adequately defined, for the purposes of this letter, in paragraphs (a) and (b) under Section 1 — Definitions, contained in our Feeder License Agreement with you dated December 22, 1931. These paragraphs (a) and (b) are as follows:

(a) The term "glass vacuum bottles," as herein used, shall consist of any bottles, jars, jugs and/or carafes containing or consisting of a glass filler constructed of an inner cylinder enclosed within an outer cylinder with a substantial vacuum between the two cylinders. Said bottles, jars, jugs and/or carafes shall be designed and adapted to keep the contents hot for not more than Forty-eight (48) hours, and cold for not more than One hundred twenty (120) hours.

[fol. 61059] (b) The term "glass vacuum bottle field" as hereinafter used, shall include the use of said vacuum bottles, as above defined, for the following purposes:

1. Division A — For lunch kits, for factory, office and school uses; picnic containers, traveling and camping uses; office and home jug sets and carafes.

2. Division B — For holding and dispensing ice creams, frozen foods, frozen confections of all kinds, soft drinks, chilled and hot liquids, and the like; For use in the laboratory for holding liquid air, carbon dioxide, serums and the like.

You will note that for the purpose of our feeder license agreement your field of manufacture in this feeder license agreement is distinctly divided into two classes, one called Division A, the other Division B.

For the manufacture of articles defined under Division A, we are prepared to permit you to have, in so far as our present contractual commitments will allow, the first right to acquire an exclusive license to use present Hartford standard equipment for the manufacture of glass vacuum bottles upon the same terms as we are willing to offer such license to any other concern or party.

For the manufacture of the same articles and subject to the same conditions, we are prepared to permit you to have the first right to acquire an exclusive license to use Hartford's future developments (excluding, however, any developments relating to tanks for melting glass or formulas for glass batch) for the manufacture of glass vaccum bottles [fol. 61060] upon the same terms as we are willing to offer such license to any other concern or party.

It is understood that we are not attempting at this time to arrive at any values for such licenses as related either to our present equipment or to our future developments, whether on a basis of royalty or sale of rights, but are allowing you rights similar to an option on these things. We will grant your Company a 60-day period, after such a license is offered, within which to decide whether your Company is or is not prepared to take such a license. If at the end of such a 60-day period your Company is not prepared to take a license, it is understood that Hartford is free to deal with others.

In respect to the articles defined under Division B, we are prepared to state that we will license American Thermos Company on a non-exclusive basis to use both Hartford's present standard equipment and future developments for the manufacture of glass vacuum bottles, the terms of such license or licenses to be worked out when the situation arises.

It is further understood that the American Thermos Co. will permit Hartford to have the first right to acquire an exclusive license to use inventions of the American Thermos Company relating to glass and the manufacture thereof outside of the field of manufacture of the American Thermos Company, as defined under paragraph (a), Section 1 — Definitions, quoted above. We agree to advise American Thermos Company within 60 days after a license is offered to Hartford, as to whether or not Hartford is interested in acquiring such a license, and if Hartford is not interested, American Thermos Company is free to deal elsewhere.

The right to acquire licenses given by Hartford to American Thermos and by American Thermos to Hartford above can be terminated by either party by giving notice in writing 12 months prior to the time when such notice is to take effect. Upon the expiration of this 12 months' period any commitments resulting from this letter shall terminate, but this termination, however, shall not affect any licenses which

theretofore have been granted in accordance with the terms of this letter, and necessarily carry with them their own [fol. 61061] period of limitation.

If the proposals suggested in this letter to you are acceptable, would you kindly acknowledge its receipt.

Very truly yours, Hartford-Empire Company, —— —— ——, General Manager.

R. M. Eldred
GP

Note: It is understood that this letter supersedes our letter to the American Thermos Company of March 23, 1932 covering this same subject.

—— ——, General Manager.

[fol. 61062] American Thermos Bottle Company

X. The Licensee agrees to pay to the Licensor as royalties on all "cylinders" made by it under the license granted by Section I hereof or provided for in Section II hereof as follows:

(a) For each one-half pint cylinder, one-eighth of one cent.

For each pint cylinder, one-fourth of one cent.

For each one and one-half pint cylinder, five-sixteenths of one cent.

For each quart cylinder, one-half of one cent.

For each cylinder larger than one quart, five-eighths of one cent.

Provided that the Licensee in making payment may deduct therefrom the royalties payable at the specified rates on any cylinders broken or destroyed prior to their assemblage in a thermos bottle, or prior to shipment.

(Here follows 1 photolithograph, side folio 61063)

THE AMERICAN THERMOS BOTTLE COMPANY

OFFICE OF
A. E. PAYSON
PRESIDENT

HARTFORD-EMPIRE COMPANY
Not to be removed from the Vault
VAULT NO. 5-Section 2

April 11, 1932.

Mr. R. M. Eldred, General Manager,
Hartford-Empire Company,
Hartford, Conn.

THE AMERICAN THERMOS BOTTLE COMPANY

PROPERTY OF HARTFORD-EMPIRE COMPANY
Not to be removed from Vault
VAULT NO. 5-Section 2

OFFICE OF
A. E. PAYSON
PRESIDENT

April 11, 1932.

Mr. R. M. Eldred, General Manager,
Hartford-Empire Company,
Hartford, Conn.

Dear Mr. Eldred:

I acknowledge your letter of April 9th, which letter sets forth clearly my understanding of the arrangement between our two companies, and it is my intention that this letter will serve as our acceptance of the arrangement.

It is also noted that your letter of April 9th supersedes your letter of March 23rd covering the same subject.

Very truly yours,

A. E. Payson

61063

14058A

[fol. 61064] GOVERNMENT EXHIBIT No. 1610

January 24, 1939.

American Thermos Bottle Company, Norwich, Connecticut.

Attention:
Reference: Exclusive License — Thermos Bottles — Hot Mold Process.

GENTLEMEN:

We have today concluded the execution of two licenses and leases HSP — covering the future use of a Hartford Single Feeder No. ——, and HIS — covering the future use of Hartford Individual Section Machine No. ——.

The licensed ware field set out in Schedule C is as follows:

Pistons For Glass Vacuum Bottles for the Glass Vacuum Bottle Field

(a) The term "glass vacuum bottle", as herein used, shall consist of any bottles, jars, jugs and/or carafes containing or consisting of a glass filler constructed of an inner cylinder enclosed within an outer cylinder with a substantial vacuum between the two cylinders. Said bottles, jars, jugs and/or carafes shall be designed and adapted to keep the contents thereof hot for not more than Forty-eight (48) hours, and cold for not more than One Hundred Twenty (120) hours.

(b) The term "glass vacuum bottle field", as herein used, shall include the use of said vacuum bottles, as above defined, for the following purposes:

1. Division A — For lunch kits, for factory, office and school uses; picnic containers, traveling and camping uses; office and home jug sets and carafes.

[fol. 61065-61066] 2. Division B — For holding and dispensing ice creams, frozen foods, frozen confections of all kinds, soft drinks, chilled and hot liquids, and the like; For use in the laboratory for holding liquid air, carbon dioxide, serums and the like.

For Division A, we hereby grant to you the exclusive right to use the unit of the Hartford Single Feeder and the Hartford Individual Section Machine in the manufacture by the

hot mold process of glass vacuum pistons for thermos bottles of the types described in said Division A. Said exclusive right shall extend until December 31, 1943; thereafter it shall continue throughout the term of said licenses and leases unless sooner terminated by ninety (90) days' written notice given by either party to the other. During the continuance of said exclusive license, American Thermos agrees to pay to Hartford-Empire Company a minimum royalty of Ten Thousand Dollars ($10,000) per year. Said sum shall be payable on or before the fifteenth (15th) day of January for the calendar year last preceding said date; the first and last payments thereof shall be prorated according to the number of calendar months said exclusive shall be in force, during the first and last calendar years.

In the event that during the existence of said exclusive license, said Hartford Individual Section Machine becomes adaptable to the paste-mold process, said exclusive will likewise under the terms hereof cover the right to manufacture by the pastemold process subject to the rights of Corning Glass works under an agreement dated October 6, 1922 and any revision or amendment thereof.

The rights for Ware Division *B* shall be non-exclusive.

Against the $10,000 referred to above shall be applied as a credit any production or minimum royalties payable in accordance with the terms of Sections 10 and 11 of said licenses and leases.

Very truly yours, Hartford-Empire Company, by ——— ———.

———

[fol. 61067] GOVERNMENT EXHIBIT No. 1640

"Minutes of Directors Meeting of the Hartford-Empire Company, April 2, 1924

"Present: Messrs. Arkell, Falck, Honiss, Goodwin Smith, Heintzelman, Dorsey and Knox Smith; and Messrs. Cunningham, Ernest Walker Smith and Peiler by invitation; Mr. Arkell presiding.

"1. The question before the meeting was the negotiations with the Owens Company, and three main points were involved in the discussion. Mr. Goodwin Smith and Mr. Knox Smith were shortly to see Mr. Blair and Mr. Belknap in what would probably be a final interview.

"2. The following votes were passed:

(a) Mr. Knox Smith was authorized to change the date when the division of income would terminate from 1938 to 1941, with the corresponding changing of the period of free unit use to 1941.

(b) As an alternative he was authorized to accept the existing draft of March 27, 1924 on the basis of Divisional Income terminating in 1938 and free unit use to 1943.

(c) He was instructed to allow the use by Owens of forty free units for making milk bottles, but to insist that if milk bottles were made on these units or on any other machinery coming under Licensed Inventions, Owens Company must pay standard royalties.

"The votes on the above three points were unanimous.

(d) He was authorized to waive, if necessary, all limitation on the capacity of the free units."

[fol. 61068] "On this the vote stood in the affirmative: Honiss, Arkell, Heintzelman, Cunningham, Dorsey, Knox Smith, Ernest Smith and Peiler.

"Messrs. Goodwin Smith and Falck voted that a limit of $11,000 per unit should be insisted upon.

"3. There was a discussion of the amount by which the Monongah Company would be willing to increase the royalties now payable by it under its licenses M-1 to M-8 inclusive, provided that the Hazel-Atlas Company should come into the deal. Mr. Heintzelman pointed out that he could not very well set any increased royalty now, but said he would promise that Monongah would consent to a substantial increase,—this increase, however, not to bring the royalty up to the standard rates to other licensees.

"He further desired that any such increases should depend upon the success of Hartford Company in eliminating the free "pirate" competition of outside feeders such as Miller's and ONeill's. We suggested that the increase first be made, and taken off again if this result were not brought about. This difference of method was not finally adjusted at this meeting.

Attest:

(S.) Herbert Knox Smith, Secretary."

[fol. 61069] GOVERNMENT EXHIBIT No. 1641

Directors Meeting, November 8, 1932

A meeting of the Board of Directors of the Hartford-Empire Company was held in New York City at the Biltmore Hotel on Wednesday, November 9, 1932, at 11 A. M.

Present

Messrs. Bartlett Arkell, R. D. Brown, A. D. Falck, William H. Honiss, A. B. Houghton, Amory Houghton and F. Goodwin Smith.

Absent

I. J. Collins.

Minutes

The minutes of the last meeting of September 14th, 1932, were read and approved.

Declaration of Dividend

Upon a motion duly made and seconded, it was

Voted: That a regular quarterly dividend of Seventy-five cents (75¢) per share, and an extra dividend of Fifty cents (50¢) per share, be paid January 3, 1933, to all stockholders of record as of December 20, 1932.

Ratification of Hazel-Atlas and Owens Contracts

Upon motion duly made and seconded, it was

Voted: That the following agreements, and their execution by F. Goodwin Smith, President, and Arthur T. Safford, Jr., Secretary, on behalf of Hartford-Empire Company, be and they are hereby ratified and approved by this Board—

General License Agreement between Hartford-Empire Company and Owens-Illinois Glass Company dated July 1, 1932.

[fol. 61070] General License Agreement between Hartford-Empire Company and Hazel-Atlas Glass Company dated July 1, 1932.

Supplemental Agreement between Hartford-Empire Company and Owens-Illinois Glass Company dated July 1, 1932.

Suction Inventions License Agreement between Hartford-Empire Company and Owens-Illinois Glass Company dated July 1, 1932.

Supplemental Agreement between Hartford-Empire Company and Hazel-Atlas Glass Company dated July 1, 1932.

Agreement for Cancellation and Reinstatement of Contracts and for Division of Income from Tucker, Reeves and Beatty licenses between Owens-Illinois Glass Company and Hartford-Empire Company dated July 1, 1932.

Ratification of Purchase of Kucera Applications

Upon motion duly made and seconded, it was

Voted: That the purchase of the patent applications of Peter Kucera relating to feeders as provided for in a certain "Kucera Feeder Agreement between Peter Kucera and Hartford-Empire Company dated August 25, 1932," and the execution of said agreement on behalf of Hartford-Empire Company, be and they are hereby approved and ratified.

Ratification of Other Contracts

Upon a motion duly made and seconded, it was

Voted: That the following agreements and their execution on behalf of Hartford-Empire Company be and they are hereby approved and ratified—

General Agreement — Hartford-Empire Company and Knox Glass Bottle Company and Others dated August 25, 1932.

General Agreement — Hartford-Empire Company and Universal Glass Products Company dated September 15, 1932.

Consolidated Feeder Agreement between Hartford-Empire Company and General Glass Corporation dated September 16, 1932.

[61071] Consolidated Lehr Agreement between Hartford-Empire Company and General Glass Corporation dated September 16, 1932.

Nivison-Weiskopf Settlement Agreement between Hartford-Empire Company and General Glass Corporation dated September 16, 1932.

Finance Committee

Upon motion made and duly seconded, it was

Voted: That A. D. Falck and F. Goodwin Smith be and are hereby appointed as the Finance Committee of this Board, with full power to invest and re-invest the surplus funds of this Company, as the occasion may warrant, or to sell any investments now or hereafter held by this Company.

Such Committee shall regularly report to the Board of its investments and sales.

It was the concensus of opinion of the Board that until further discussion the Finance Committee should invest only in United States Government securities, other bonds and high-grade preferred stocks.

Expenditures of Development Company

Upon motion duly made and seconded, it was

Voted: To approve the expenditures of the Development Company for the first nine months of 1932 amounting to One hundred eighty-two thousand four hundred eight dollars ($182,408).

Fourth Quarter Budget

Upon motion duly made and seconded, it was

Voted: To approve for the fourth quarter of 1932 the various items of the budget for the Development Company of Ninety-two thousand three hundred seventy-nine dollars ($92,379), except that approval of the item for the new tank amounting to Twenty-five thousand six hundred ninety-five dollars ($25,695) was deferred until such time as further examination could be made into the question of the super-refractories.

[fol. 61072] Pre-Emption Agreement

It was explained by the President that the Pre-Emption agreement among the stockholders of Hartford-Empire Company, dated November 29, 1922, expires by its own terms November 29, 1932, and that all certificates of Hart-

ford-Empire Company common stock originally issued in exchange for stock of Hartford-Fairmont Company or for assets of the Empire Company are stamped with a "Notice of Pre-Emption Agreement."

As it is believed that such notice affects the negotiability of the stock and the purpose of the notice ceases with the expiration of the Pre-Emption Agreement, upon motion duly made and seconded, it was

Voted: That the Secretary be and is hereby authorized to issue for each certificate of stock now having stamped on it a "Notice of Pre-Emption Agreement" a new certificate for the same number of shares and to the same shareholder, but without such notice.

British Hartford-Fairmont Appeal

Upon motion duly made and seconded, it was

Voted: That the President be authorized to contribute one-third of the expense, but not to exceed Ten Thousand Dollars ($10,000) of the British Hartford-Fairmont Syndicate in appealing its plunger patent suit, *The British Hartford-Fairmont Syndicate, Ltd. v. Jackson Brothers (Knottingley) Ltd.*, to the House of Lords, provided that in the President's opinion the British Hartford-Fairmont Syndicate satisfactorily accepts such assistance as this Company may desire to give in preparing such appeal.

Voted: At 5:00 P. M. to adjourn.

Attest: F. Goodwin Smith, Secretary of the Meeting.

[fol. 61073] GOVERNMENT EXHIBIT No. 1642

"Minutes of the Meeting of the Board of Directors of the Hartford-Empire Company held in Room 940 of the Biltmore Hotel, New York City, on Tuesday, May 9, 1933, at 10 A. M.

* * * * * * *

"Present: Messrs. Alexander D. Falck, Amory Houghton, Arthur Houghton, William H. Honiss, Robson D. Brown, F. G. Smith.

"Absent: Messrs. A. B. Houghton, Bartlett Arkell, I. J. Collins.

* * * * * * *

"Ball Brothers License and Lease Agreement:

Upon a motion duly made and seconded, it was

Voted: To confirm and approve the contract made between Ball Brothers Company and the Hartford-Empire Company dated March 25, 1933.

• • • • • • •

"Attest: (Signed) R. D. Brown, Secretary pro tem."

• • • • • • •

[fol. 61074] GOVERNMENT EXHIBIT No. 1643

"Minutes of the meeting of the Board of Directors of Hartford-Empire Company held in Room 840 of the Biltmore Hotel, New York City, on Friday, November 24, 1933.

• • • • • • •

"Present: Messrs. Bartlett Arkell, Alanson B. Houghton, Alexander D. Falck, Amory Houghton, Arthur A. Houghton, William H. Honiss, F. Goodwin Smith and Robson D. Brown.

"Absent: Mr. Isaac J. Collins.

• • • • • • •

"Lynch Agreements:

Upon a motion duly made and seconded, it was

Voted: To confirm and approve the following contracts made between Hartford-Empire Company and Lynch Corporation dated August 23, 1933—

Agreement (Amended September 22, 1933)
Additional Agreement
Supplemental Agreement

Upon a motion duly made and seconded, it was

"Voted: To ratify and confirm the purchase of Feeder Inventions from Lynch Corporation for the sum of $125,000 pursuant to a Feeder License from Lynch Corporation to Hartford-Empire Company dated August 23, 1933.

• • • • • • •

"Attest: (Signed) Robson D. Brown, Secretary pro tem."

[fols. 61075-61081] GOVERNMENT EXHIBIT No. 1644

"Minutes of the Meeting of the Board of Directors of Hartford-Empire Company held in Room 840, Biltmore Hotel, New York City, on Thursday, September 19, 1935.

* * * * * * *

"Present: Messrs. Arkell, A. B. Houghton, Amory Houghton, Arthur Houghton, Honiss, Collins, Smith, Brown.
"Absent: Mr. Alexander D. Falck.

* * * * * * *

"Committee on Revision of Contracts:

Upon a motion made by Mr. Arthur Houghton, seconded by Mr. Honiss, a committee was appointed to consider revisions of this Company's contracts with the Owens-Illinois Glass Company and with the Hazel-Atlas Glass Company, this committee to have full power to act for the Board of Directors and to consist of Messrs. Falck, Amory Houghton, Smith and Brown.

* * * * * * *

"Attest: (Signed) R. D. Brown, Secretary *pro tem.*"

[fol. 61082-61083] GOVERNMENT EXHIBIT No. 1648

Excerpts from the Minutes of a Meeting of the Board of Directors of Corning Glass Works held on February 11, 1930.

"There were present: Messrs. Alexander D. Falck, Alanson B. Houghton, Amory Houghton, Eugene C. Sullivan, John L. Thomas, Arthur A. Houghton."

"The President, Mr. Eugene C. Sullivan, submitted the following list of contracts, which was ordered placed on file:—

Hartford-Empire Company Jan. 23, 1930.
Special agreement amending glass contract."

Letter to McKee Glass Co. Jan. 22, 1930.
Permission to ship ovenware under license to Canada."

[fol. 61084] GOVERNMENT EXHIBIT No. 1650

Owens-Illinois Glass Company

I, John H. McNerney, Secretary of Owens-Illinois Glass Company, hereby certify that the following is a true and correct copy of an excerpt of a meeting of the Board of Directors of said Company held on July 19, 1932, as appears from the minutes of said meeting, at which the following were in attendance:

Present: Wm. Ford, Chairman, H. F. Atherton, W. H. Boshart, H. E. Collin, Ben F. Hazelton, Jr., Wm. E. Levis, H. G. Phillipps, Fred W. Schwenck, and J. H. McNerney, Secretary.

Absent: Marshall Field, W. W. Knight, R. H. Levis, Charles Sabin, Wm. S. Walbridge.

Messrs. Lloyd T. Williams of Counsel and Henry W. Carter were present during part of the session as is noted hereinafter.

"The Secretary presented revised draft dated as of July 1, 1932 of the eight agreements presented to the Executive Committee and approved at its meeting of June 15, 1932, as follows:

"Four agreements between this Company and Hartford-Empire Company, entitled as follows:

Agreement for cancellation and reinstatement of contracts and for a division of income from Tucker, Reeves & Beatty, Licensees.

General License Agreement.

Suction Inventions License Agreement.

Supplemental Agreement.

"Two agreements between this Company and Hazel-Atlas Glass Company, entitled as follows:

General License Agreement.

Supplemental License Agreement.

"Two agreements between Hartford-Empire Company and Hazel-Atlas Glass Company, entitled as follows:

[fol. 61085] General License Agreement.

Supplemental Agreement.

"Messrs. Levis, Carter, and Williams explained in detail the substance of the agreements, the changes made thereby in the relations of this Company with Hartford-Empire Company and with Hazel-Atlas Glass Company, and the changes in the agreement as between the drafts previously approved by this Board and those now presented.

"After full discussion and on motion of Mr. Schwenck, seconded by Mr. Atherton, and unanimously carried, the foregoing four agreements between this Company and Hartford-Empire Company and the two agreements between this Company and Hazel-Atlas Glass Company were approved, and the President or a Vice-President, and the Secretary of an Assistant Secretary were authorized and directed to execute and deliver them in the name of this Company, and the proper officers of this Company were authorized and directed to do any and all things in their judgment necessary to carry the same into effect."

In witness whereof, I have hereunto signed my name officially and affixed the seal of said corporation, this thirtieth day of September, 1940.

John H. McNerney, Secretary.

[fol. 61086] GOVERNMENT EXHIBIT No. 1651

Owens-Illinois Glass Company Certified Copy of Resolution

I, John H. McNerney, Secretary of Owens-Illinois Glass Company, hereby certify that the following is a true copy of resolution adopted at a meeting of the Board of Directors of said Company held on March 29, 1933, as appears from the minutes of said meeting, at which the following were in attendance:

Present: Wm. E. Levis, President, presiding; H. F. Atherton, H. E. Collin, Wm. Ford, Ben F. Hazelton, Jr., W. W. Knight, R. H. Levis, H. G. Phillipps, F. W. Schwenck, and J. H. McNerney, Secretary, C. B. Belknap, of Patent Counsel.

Absent: W. H. Boshart, Marshall Field, Charles Sabin, Wm. S. Walbridge.

"The President reported in detail the negotiations with Messrs. Frank and Wilson O'Neill for the purchase of the

assets and business of the O'Neill Machine Company and certain assets of the O'Neills, and submitted the option, with form of contract thereto attached, for the acquisition of said assets, and then submitted a detailed report by Messrs. Hazelton and C. B. Belknap of their appraisal of the assets of the O'Neill Machine Company, and asked that their recommendations for the purchase of these assets be approved. A summary of their appraisal was as follows:

Cash, Accounts Receivable and Inventories	$ 51,592.46
Land	14,425.00
Buildings	25,000.00
Machinery and Equipment	43,365.00
Tools and Miscellaneous	5,550.00
Patents	400,000.00
Total	$539,932.46

"Various parts of the report on the purchase of the O'Neill Machine Company's assets, and particularly two letters by Mr. W. J. Belknap, dated March 27, were examined and read.

"Thereupon the following resolution prepared by Counsel was adopted by unanimous vote:

"Resolved, that the foregoing option and contract be, and the same hereby are approved, and that the President of this Company be, and he hereby is authorized in the name and on behalf of this Company to exercise said option, and

"Be it further resolved, that William E. Levis, H. C. Phillipps, and Ben F. Hazelton, Jr., be, and they hereby are appointed a committee to negotiate and secure such modifications of such contract as to them may seem desirable and to the advantage of this Company, subject to the approval of Lloyd T. Williams, of counsel for the Company, and of C. B. Belknap, provided that the considerations to be paid for said assets shall not exceed those set forth in said option and contract; and

[fol. 61087] "Be it further resolved, that the President and Secretary of this Company be, and they hereby are authorized and directed to execute, in the name and on behalf of this Company, duplicate copies of said contract as presented to this Board or as the same may be modified as

above provided, and to make and execute modifications thereof as above provided, and to deliver one copy thereof to the first parties above mentioned; and

"Be it further resolved, that the proper officers of this Company be, and they hereby are authorized and empowered to do, in the name and on behalf of this Company, any and all things by this Company to be done under the terms of such contract as presented or as the same shall be modified as above provided."

In witness whereof, I have hereunto signed my name officially and affixed the seal of said corporation, this 22nd day of May, 1941.

John H. McNerney, Secretary.

[fol. 61088] GOVERNMENT EXHIBIT No. 1651a

Copy

Whittemore, Hulbert, Wittemore & Belknap
Penobscot Building, Detroit, Mich.

March 27, 1933.

Mr. William E. Levis, Owens-Illinois Glass Company, Toledo, Ohio.

DEAR MR. LEVIS:

I have your letter of March 25th requesting a report on the patents and patent rights that you would acquire under the option you have entered into with the O'Neill Machine Company et al., in so far as these patents and patent rights effect your manufacturing program in connection with the stationary pot suction machine developments.

I am familiar with your manufacturing program and the possibility of the stationary pot suction machine becoming a highly important factor in your program. From my knowledge of the situation I would consider that if you did not have a rather free hand to continue with and develop the stationary pot suction machine, the Owens-Illinois Glass Company would be placed under a very serious handicap.

From the information which I have received, unquestionably O'Neill's development of the stationary pot antedates the activities of the Owens-Illinois Glass Company. In fact, O'Neill's stationary pots which your company purchased, really started the present development of the stationary pot with your company. I am not overlooking the fact that the Owens Company several years ago, endeavored to use a stationary pot but without satisfactory results. As the O'Neill construction does produce satisfactory results which were not attained until the Owens Company turned to the O'Neill type of stationary pot, the importance of O'Neill's stationary pot construction is greatly emphasized.

While most of O'Neill's patent protection upon the stationary pot is found in pending applications, I do not consider it necessary to refer to the possible scope of protection which O'Neill is entitled to in these pending applications, for there is an O'Neill patent No. 1,852,329 issued April 5, 1932 that well covers the stationary pot which you use. As far as I am aware, the prior art does not permit [fol. 61089] the validity of this patent to be seriously questioned. Furthermore, the Owens-Illinois Glass Company is not in a very good position to question the advance O'Neill has made in stationary pots in the light of the Owens Company's failure and O'Neill's success.

From the nature of your program and the importance of the stationary pot suction machine developments thereto, I am of the opinion that it is quite essential for you to acquire the O'Neill patents and patent rights relating to the stationary pot suction machine.

Besides the O'Neill patents relating to the stationary pot suction machine, there are a number of patents relating to forming machines that you would acquire if you exercised the option. These patents on forming machines contain claims that cover Lynch machines that the Owens-Illinois Glass Company is using and also contain claims of sufficient scope to cover features employed not only in the Lynch type of forming machine but also to suction type machines. The acquisition of these patents would eliminate any possible suit for infringement against your company because of the use of the Lynch machines, and would again give you greater freedom of development in the suction field, as would also the acquisition of the group of applications which O'Neill has pending relating to suction machines themselves.

There are a number of feeder patents owned by O'Neill also included within the option, the value of which to the Owens Company is very questionable. On the other hand, I am informed that O'Neill places a substantial value upon these feeder patents. It may be that to someone else they would have a substantial value and while I do not know whether it is feasible, I suggest that O'Neill be requested to dispose of these patents and deduct the amount received therefor from your purchase price.

To summarize, I feel that the O'Neill patent situation relating to stationary pot suction machines, to suction machines per se and to forming machines, presents a situation highly valuable and important, if not essential, to the Owens-Illinois Glass Company from the standpoint of its program in connection with stationary pot suction machines, suction machines per se and the elimination of possible patent litigation.

Yours very truly, W. J. Belknap (Signed).

WJB:V

[fol. 61090] GOVERNMENT EXHIBIT No. 1651-b

(Copy)

Whittemore, Hulbert, Whittemore & Belknap,
Penobscot Building,
Detroit, Mich.

March 27, 1933.

Owens-Illinois Glass Company, Toledo, Ohio.

Attention: Mr. W. E. Levis

DEAR MR. LEVIS:

You have requested a report as to whether or not there are any patents owned by Mr. O'Neill or the companies with which he is associated that are infringed by the Lynch machines.

I have not prepared my full report but I am in position to give you a short statement of my conclusions.

I find that the Lynch #10 machine infringes the following

patents owned either by O'Neill or one of the companies that he is associated with:

Name	Number	Date	Title	Infringes Claims
O'Neill	1,217,102	Feb. 20, 1917	Glass-Forming Machine	15, 21
"	1,315,983	Sept. 16, 1919	Glass-Forming Machine	6-9, 11, 12, 15
"	1,602,926	Oct. 12, 1926	Glass-Forming Apparatus	1-6, 11, 18, 19, 35
"	1,658,735	Feb. 7, 1928	Bottle Machine	1-7, 36, 37
"	1,758,085	May 13, 1930	Glassware-Forming Apparatus	5

All types prior to the Lynch #10 machine, such as the L, LA, LB models, etc. infringe the following patents owned by O'Neill or one of the companies that he is associated with:

Name	Number	Date	Title	Infringes Claims
O'Neill	1,217,102	Feb. 20, 1917	Glass-Forming Machine	15, 21
"	1,602,926	Oct. 12, 1926	Glass-Forming Apparatus	1-6, 14-17
"	1,658,735	Feb. 7, 1928	Bottle Machine	8-26, 30-44

My complete report will follow at a later date.

Very truly yours,

WJB:MB (Signed) W. J. Belknap

[fol. 61091] GOVERNMENT EXHIBIT No. 1652

Owens-Illinois Glass Company

I, John H. McNerney, Secretary of Owens-Illinois Glass Company, hereby certify that the following is a true and correct copy of an excerpt of a meeting of the Board of Directors of said Company held on May 9, 1933, as appears from the minutes of said meeting, at which the following were in attendance:

Present:

Wm. E. Levis, President; Harold Boeschenstein, W. H. Boshart, H. E. Collin, Wm. Ford, Ben F. Hazelton, Jr., W. W. Knight, R. H. Levis, H. G. Phillipps, F. W. Schwenck, Wm. S. Walbridge and J. H. McNerney, Secretary, Francis H. McAdoo, Lloyd T. Williams, and C. B. Belknap.

Absent:

H. F. Atherton, Marshall Field, C. J. Root, Charles H. Sabin.

"The President reported orally that the purchase of the property and assets of The O'Neill Machine Company was

consummated on May 8, 1933, pursuant to the authority granted by resolution of the Board of Directors adopted March 29, 1933, under a revised agreement dated May 6, 1933, a copy of which he presented to the meeting. He further reported that cash in the amount of $43,683.68, after deductions from the purchase price provided for in the contract, and $200,000 in the face amount of the Company's debentures were delivered to The O'Neill Machine Company; and that in lieu of the delivery of $200,000 in face amount of the Company's debentures to The Toledo Trust Company in escrow a letter was delivered to The O'Neill Machine Company in the form presented and read to the meeting.

"On motion, the report was received and the acts of the officers of the Company as so reported were ratified and approved."

In Witness Whereof, I have hereunto signed my name officially and affixed the seal of said corporation, this 22nd day of May, 1941.

(Seal.) John H. McNerney, Secretary.

[fol. 61092] GOVERNMENT EXHIBIT No. 1653

Owens-Illinois Glass Company

I, John H. McNerney, Secretary of Owens-Illinois Glass Company, hereby certify that the following is a true and correct copy of an excerpt of a meeting of the Board of Directors of said Company held on October 11, 1933, as appears from the minutes of said meeting, at which the following were in attendance:

Present:

Wm. E. Levis, H. F. Atherton, Harold Boeschenstein, W. H. Boshart, H. E. Collin, Wm. Ford, Ben F. Hazelton, Jr., W. W. Knight, R. H. Levis, H. G. Phillipps, F. W. Schwenck, Wm. S. Walbridge, J. H. McNerney, Secretary, and also Lloyd T. Williams, C. B. Belknap.

"The President reported that pursuant to the authority granted by the Board on July 18, 1933, he and Mr. Hazelton, as a committee, continued the negotiations for im-

proving the position of this Company in the bottle forming machine situation and, in conclusion of such negotiations, had purchased for this Company from Lynch Corporation a license for exclusive suction rights under all United States patents now owned by Lynch Corporation, and under those that might be acquired by it in the next seventeen years, paying therefor the sum of $125,000.00, plus certain jigs, fixtures, drawings, and like property acquired by this Company from The O'Neill Machine Company and relating to the O'Neill feeder-fed forming machines, and had likewise purchased from Hartford-Empire Company, paying therefor the sum of $99,500.00, a license for exclusive suction rights under the Headley and Thompson applications and the patents to issue thereon, together with a free shop right for this Company and its subsidiaries under the Headley & Thompson applications and the patents to issue thereon, such shop right to be exercised, however, only upon the termination of the General License Agreement between this Company and Hartford-Empire Company dated July 1, 1932. The President further stated that these license agreements had been approved by Mr. C. B. Belknap and by the Company's general counsel.

"Mr. Harry E. Collin stated in connection with the foregoing transaction, that he had received a commission from Edward Miller and from the Lynch Corporation for his services in connection with the acquisition by Lynch Corporation of the machine and mold manufacturing business of Edward Miller.

[fol. 61093] "On motion, unanimously carried, the acquisitions of licenses above set forth and all the actions of the officers of this Company in connection therewith were approved and ratified."

In Witness Whereof, I have hereunto signed my name officially and affixed the seal of said corporation, this 22nd day of May, 1941.

(Seal.) John H. McNerney, Secretary.

[fol. 61094] GOVERNMENT EXHIBIT No. 1654

Owens-Illinois Glass Company

I, John H. McNerney, Secretary of Owens-Illinois Glass Company, hereby certify that the following is a true and

correct copy of an excerpt of a meeting of the Board of Directors of said Company held on September 27, 1935, at which the following were in attendance:

Wm. E. Levis, President, presiding, R. H. Barnard, C. B. Belknap, Harold Boeschenstein, W. H. Boshart, H. E. Collin, Geo. P. Greenhalgh, Ben F. Haselton, Jr., W. W. Knight, R. H. Levis, Francis H. McAdoo, H. G. Phillipps, C. J. Root, F. W. Schwenck and also J. H. McNerney, Secretary, Wm. S. Walbridge, Lloyd T. Williams during part of the session.

as appears from the minutes of said meeting:

"Messrs. Wm. E. Levis, Belknap and Williams explained and recommended the adoption of proposed new license agreements with Hartford-Empire Company, to be substituted for those now in force, and their reasons for recommending them. They submitted drafts of the several proposed agreements covering the use of feeders, forming machines, lehrs and miscellaneous equipment, reading certain paragraphs in full and briefly summarizing each of the remaining paragraphs.

"Mr. Wm. S. Walbridge entered the meeting at this point, but did not vote on any of the business transacted.

"It appeared that the licenses this Company is to receive from Hartford-Empire Company, for the use of various equipment, provide for the payment of production and minimum royalties upon a basis as favorable as that accorded by Hartford-Empire to any of its other licensees, and are subject to substantially the same limitations upon the fields of use of the licensed inventions as those contained in the agreements now in force; that the license to Hartford-Empire Company is for the glassware field generally, with certain limitations, and is free of production royalty; that certain rights which this Company has from Hartford-Empire Company are to be assigned to it or surrendered; that Hartford-Empire Company agrees to pay to this Company $3,000,000, at the rate of $250,000 quarterly; and that certain limitations were placed upon the rights of Hartford-Empire Company with respect to the use of the inventions which this Company proposes to acquire from The Libbey Glass Manufacturing Company. [fol. 61095] "After discussion and a series of questions

by various Directors, and answers by Mr. Wm. E. Levis, Mr. Belknap and Mr. Williams, upon motion, the several proposed agreements with Hartford-Empire Company were approved and ordered to be executed and delivered, with such amendments as may be authorized prior to execution by a committee composed of Messrs. Wm. E. Levis and Belknap, and approved by Mr. Williams."

In Witness Whereof, I have hereunto signed my name officially and affixed the seal of said corporation, this thirtieth day of September, 1940.

John H. McNerney, Secretary.

[fol. 61096] GOVERNMENT EXHIBIT No. 1655

Copy

Minutes of Board of Directors Meeting

Notices having been mailed to all members on Friday, June 24,—the regular monthly meeting of the Board of Directors of the Hazel-Atlas Glass Company was held on Tuesday, June 28, 1932, at two o'clock p. m.

Present:

There were present—J. H. McNash, President, who presided, C. R. Hubbard, W. W. Holloway, Lee C. Paull, W. H. Koch, H. W. Gee, D. A. Burt, B. J. Neuhardt.

* * * * * * *

Proposed Contracts Between Hartford Empire Co. and Hazel-Atlas Glass Co., and Its Subsidiaries; Also Between Owens-Illinois Glass Co. and Hazel-Atlas Glass Co. and Its Subsidiaries:

In presenting this subject the President reviewed the history of this patent litigation, its present status, the hazards to this Company in continuing these lawsuits. The proposed contracts had advantages to this Company, not only in terminating the heavy legal expense, but in offering working arrangements whereby it would enjoy full rights on all of the Hartford-Empire patents now held by that Company, or acquired by it at any time during the life of the contract. The advantages of the Owens-Illinois—Hazel-Atlas agreements were also discussed. In the judg-

ment of our attorneys and the Executive Committee, the rights and protection granted by these agreements were considered of great value.

It was pointed out that in addition to the amount paid in a lump sum to Hartford-Empire Company under such agreements, the cost to this Company might be as high as $200,000.00 net per year.

Proposed Contracts Between Hartford-Empire Co. and Hazel-Atlas Glass etc.

A general discussion followed, in which all members expressed themselves as favorable to the proposed agreement. On motion of Mr. Burt, seconded by Mr. Neuhardt, it was unanimously

Resolved, That the recommendations of the Executive Committee, as shown by their minutes of this date, be accepted and confirmed and adopted as the act of the Board of Directors; and

Be It Further Resolved, That subject to a favorable opinion by John W. Davis, special counsel, as to their legality, the President and Secretary be instructed to sign these agreements on behalf of this Company and its subsidiaries.

[fol. 61097] GOVERNMENT EXHIBIT No. 1656

Copy

Minutes of Board of Directors Meeting

Notices having been mailed to all members on July 22nd, the regular monthly meeting of the Board of Directors of the Hazel-Atlas Glass Company was held on Tuesday, July 26th, 1932, at two o'clock P. M.

Present:

There were present—J. H. McNash, President, who presided, W. H. Koch, H. W. Gee, L. C. Paull, C. R. Hubbard, D. A. Burt, W. W. Holloway, B. J. Neuhardt.

* * * * * * *

Contracts Between Hartford-Empire and Hazel-Atlas and Subsidiaries; Also Owens-Illinois and Hazel-Atlas and Subsidiaries:

The President stated to the Board, as shown by the minutes of the Executive Committee meeting of that date,—

that the general and supplemental contracts between Hartford-Empire and this Company, and also Owens-Illinois Glass Company and this Company, were consummated and signatures affixed on July 21st. In presenting this subject, Mr. McNash took the contracts and analyzed the outstanding features of these agreements. This analysis covered both the main and supplemental contracts, as closed between these companies. On completion of this discussion Mr. Burt offered the following resolution, which was seconded by Mr. Hubbard and unanimously carried:

Resolved, That the action of the President and Secretary in signing contracts between the Hartford-Empire Company and this Company and its subsidiaries,—also contracts between the Owens-Illinois Glass Company and this Company and its subsidiaries,—all dated as of July 1, 1932,—be, and it hereby is, in all respects, ratified, approved and confirmed.

[fol. 61098] GOVERNMENT EXHIBIT No. 1657

Copy

Minutes of Meeting of the Board of Directors

A special called meeting of the Board of Directors of the Hazel-Atlas Glass Company was held on Friday, October 11, 1935, at ten o'clock A.M.

Present:

There were present—J. H. McNash, Chairman, Messrs. Burt, Gee, Holloway, Neuhardt and Seabright.

Also present by invitation—Mr. Stephen H. Philbin of Fish, Richardson & Neave, patent counsel.

Owens-Illinois, Hazel-Atlas Agreement for Suction Rights:

The Chairman stated the meeting was called to give consideration to a proposed new agreement between the Owens-Illinois Glass Company and the Hazel-Atlas Glass Company; also a new agreement modifying the supplemental agreement between the Hartford-Empire Company and this Company.

Mr. McNash discussed first the proposed new agreement with Owens-Illinois Glass Company, stating that under our present agreement there is granted to this Company free of royalty, valuable rights under suction patents now owned by Owens or acquired by them at some future time. These rights cover various items except such lines as are specifically reserved by Owens for their exclusive use. Rights to suction for tumblers used as drinking vessels are not included in the present agreement. Owens-Illinois has in contemplation acquiring the assets and patents of the Libbey Glass Company, including the Kadow patent for blown tumblers and burn off device for finishing blown tumblers.

The desirability of securing rights to the Kadow patent and burn-off device led to conferences with the Owens-Illinois Glass Company and resulted in a proposed new agreement between the two companies, wherein provision is made that this Company may, for a consideration when it so desires, secure rights to make tumblers by the Kadow process; and, for an additional consideration, obtain rights to the burn-off device.

The Chairman thought it was to this Company's advantage to have a new understanding with Owens as to our rights under suction and to include rights under the Kadow process.

Mr. Philbin stated in his opinion the proposed new agreement, which would supersede the one now existing, retained for this Company all of the rights granted under the present agreement and, in addition, more clearly defined its scope, together with the advantages which might accrue through the privilege of using Kadow patents.

[fol. 61099] Revised Supplemental Agreement Between Hartford Empire and Hazel-Atlas

The Chairman, in discussing the proposed amended supplemental agreement between the Hartford-Empire Company and this Company, stated that under the present agreement, under certain circumstances, rights to use Peiler Patent No. 1,655,391 royalty free, were granted until such time as an opinion was rendered in some other circuit than the Fifth Circuit Federal Court, sustaining Hartford-Empire's contentions relative to Peiler. Hartford-Empire claim such opinions have been secured in Federal Circuits other than the Fifth District.

The amended or revised supplemental agreement will provide for the use of Peiler patents royalty free so long as competition in the Industry now using Peiler patents, (but not paying royalty to Hartford), may put Hazel-Atlas at a competitive disadvantage. In other words, the revised supplemental agreement places the use of the Peiler device on a commercial basis rather than a time basis, as heretofore.

Mr. Philbin's comments in connection with the proposed new agreement were that it was preferable to the one now existing and fully protected Hazel-Atlas interests. He recommended its acceptance.

A letter was then read to the Board from Mr. Philbin dated October 7, 1935, which confirmed the statements made orally and gave his recommendation and approval to both proposed new agreements.

There was a general discussion of the subjects which indicated a unanimous opinion on the part of the members present that this Company should enter into these agreements. In confirmation of this view, Mr. Neuhardt offered the following resolution, which was seconded by Mr. Holoway and unanimously adopted, as follows:

Resolved, That this Company accept the proposed new agreement dated October 3, 1935, between the Owens-Illinois Glass Company and the Hazel-Atlas Glass Company covering suction rights; also that it accept the proposed revised supplemental agreement dated September 29, 1935, between the Hartford-Empire Company and the Hazel-Atlas Glass Company; and

Be It Further Resolved, That the proper officials of the parent company and its subsidiary companies be empowered and instructed to sign these agreements on behalf of their respective companies.

* * * * * * *

[fol. 61100] GOVERNMENT EXHIBIT No. 1658

Minutes of Meeting of the Board of Directors of Ball Brothers Company, Held at the Office of the Company, in Muncie, Indiana, on Monday, June 26th, 1933 at 11 o'clock A. M.

There were present: Frank C. Ball, George A. Ball, William H. Ball, Frank E. Ball and Edmund F. Ball.

Mr. Frank C. Ball served as Chairman of the meeting and William H. Ball as Secretary.

The minutes of the last meeting of the Directors were read and on motion, approved.

On motion duly made and seconded, it was unanimously

Resolved, that the action of the officers of the company in negotiating for and closing a license agreement with the Hartford-Empire Company under date of March 25, 1933, covering exclusive use of their patented machinery and equipment for the manufacturing of Fruit Jars outside of such contracts as they had with others at the date of contract, and non-exclusing rights for manufacturing other ware, be ratified and confirmed.

On motion duly made and seconded, it was unanimously

Resolved, that the action of the officers of the company in making with the Knox Glass Bottle Company, Pennsylvania Bottle Company, Marienville Glass Company, Wightman Bottle and Glass Manufacturing Company, Oil City Glass Bottle Company and Roy R. Underwood, a contract under date of March 23, 1933, for the purchase of their stock of Fruit Jars and an agreement that they, none of them, are to engage in the making of Fruit Jars for a period of years, be ratified and confirmed.

On motion duly made and seconded, it was unanimously

Resolved, that the action of the officers of the company in making a contract with the Brockway Machine Bottle Company and Robert L. Warren as of April 27, 1933, for the purchase of their stock of Fruit Jars and other merchandise and an agreement that they will not manufacture Fruit Jars for a period of years, be ratified.

On motion duly made and seconded, it was unanimously

Resolved, that the action of the officers of the company in making a contract with the American Zinc Products Company under date of April 29, 1933, for the purchase from them of a tonnage of rolled zinc over a period of years, be ratified.

[fol. 61101 On motion duly made and seconded, it was unanimously

Resolved, that the action of the officers of the company in making the contract, under date of 24th day of May, 1933, with Sidney Mitchell and William S. Stuhr as Receivers of United Paperboard Company for the purchase of paper mill at Eaton, Indiana, be ratified.

On motion duly made and seconded, the meeting then adjourned.

(Signed) F. C. Ball, Chairman. William H. Ball, Secretary.

Certification

STATE OF INDIANA,
County of Delaware, ss:

Fred J. Petty, being duly sworn, deposes and says:

That he is the Secretary of Ball Brothers Company, a corporation organized and existing under the laws of the State of Indiana, and having its principal place of business in the City of Muncie, State of Indiana; that he has custody of the books of said corporation, and that the foregoing is a true and correct copy of the minutes of a Special Meeting of the Board of Directors of said corporation, held on the 26th day of June, 1933, at its principal place of business.

Fred J. Petty, Secretary.

Subscribed and sworn to before me this 28th day of May, 1941. Marguerite Barnes, Notary Public. My commission expires Dec. 22, 1941. (Seal.)

[fol. 61102] GOVERNMENT EXHIBIT No. 1659

Copy

Minutes of Special Adjourned Meeting of the Board of Directors of Lynch Corporation

A special adjourned meeting of the Board of Directors of Lynch Corporation, was held at the office of the Corporation at Anderson, Indiana, on September 9, 1933, at the hour of 9 o'clock P. M. by consent of all directors as provided for in Article 8, Section 2 of By-Laws.

There were present: T. C. Werbe, E. G. Bridges, N. M. McCullough, V. S. Rice, J. L. Watts, being all the directors.

Mr. Werbe and Mr. Watts, the president and secretary of the corporation served as Chairman and Secretary respectively of the meeting.

The minutes of directors' meetings held June 29th, July 24th and August 19, 1933 were read and approved.

Mr. Werbe advised the Board that the supply of C stock certificates of 100 shares was running low and that an additional supply had been ordered from the Central Banknote Company of Chicago, Illinois. A specimen copy of the new form certificates with facsimile signatures of the officers was submitted. Mr. Werbe reported that the Chicago Exchange had approved the new certificates. Upon motion duly made and seconded, and after full and free discussion of same the following resolution was adopted by the unanimous vote of the directors.

"Resolved: That the new form of C stock certificates for 100 shares with facsimile signatures of officers per specimen copy submitted, be and is hereby approved and that the transfer agent be instructed to begin using new form of certificates when the supply of old form of C certificates is exhausted."

Mr. Werbe reported that pursuant to authority granted officers at directors' meeting held August 19, 1933, that negotiations for the purchase of the Miller Machine & Mold Works of Columbus, Ohio, had been carried through to a successful conclusion and that on August 21, 1933 a contract had been signed for said purchase at a price of Four Hundred Fifty Thousand ($450,000.00) Dollars. Mr. Werbe thereupon submitted the contract to the directors and the contract was read. Upon motion duly made and seconded, and after full and free discussion of same, the following resolution was adopted by the unanimous vote of all directors.

[fol. 61103] Resolved:—That the contract presented and read at this meeting, with Edward Miller of Columbus, Ohio, doing business under the name of Miller Machine & Mold Works, dated August 21, 1933, is deemed by the Board of Directors for the advantage and benefit of this corporation and to its interests and that the consideration, namely; $450,000.00 is a fair and adequate consideration therefor;

And Resolved Further, that the action of the president in accepting said agreement and contract be and it is hereby ratified, confirmed and approved.

Mr. Werbe then advised the directors that among the assets acquired from Edward Miller there was a certain patent for a glass feeding device, and that in as much as

the Lynch Corporation did not manufacture or sell said feeding devices, and did not contemplate the manufacture or sale of such feeding devices, that the officers had deemed it advisable to sell or dispose of such patents covering glass feeding devices. Mr. Werbe then reported that on August 23, 1933 an agreement had been entered into with the Hartford-Empire Company whereby the Lynch Corporation grants to Hartford-Empire Company the full and exclusive right to all inventions now owned or controlled, or hereafter and prior to January 1, 1951, owned, acquired or controlled by Lynch Corporation for apparatus or method of feeding or supplying glass to glassware forming machines, for a consideration of One Hundred Twenty Five Thousand ($125,000.00) Dollars, which sum had been paid to Lynch Corporation on August 23rd. The agreement with Hartford-Empire Company covering such feeder license was then read. After full and free discussion thereof, and upon motion duly made and seconded, the following resolution was unanimously adopted.

Resolved: That the Feeder License & Agreement presented and read at this meeting, with Hartford-Empire Company, dated August 23, 1933, is deemed by the Board of Directors to be for the advantage and benefit of this Corporation and to its interests; and that the consideration, namely; One Hundred Twenty Five Thousand ($125,000.00) Dollars is a fair and adequate consideration therefor;

And Resolved Further, that the action of the president in accepting such Feeder License & Agreement, be and is hereby ratified, confirmed and approved.

Messrs. Werbe and Bridges then reported to the directors that in accordance with authority granted the officers at directors' meeting held August 19, 1933, that negotiations with the Hartford-Empire Company with respect to preventing and terminating patent litigation, and giving cross licenses, and other related matters, had been brought to a conclusion and that contracts with the Hartford-Empire Company had been signed. Thereupon, was read an agreement between Hartford-Empire and Lynch Corporation [fol. 61104] dated August 23, 1933, together with an additional agreement, and a supplemental agreement, the agreement providing for a cross license of patents, the additional agreement providing for extending said cross license agree-

ment to cover delivery mechanisms, takeouts and conveyors, and the supplemental agreement providing for extending the license agreement to include inventions made or acquired by the Owens-Illinois Glass Company and in which Hartford-Empire Company has a license. After the reading of these three contracts and agreements, and after full and free discussion thereof, upon motion duly made and seconded, the following resolution was adopted by the unanimous vote of all directors.

Resolved: That the License Agreement, Additional Agreement and Supplemental Agreement with Hartford-Empire Company, dated August 23, 1933, is deemed by the Board of Directors to be for the advantage and benefit of this Corporation and to its interests:.

And Resolved Further: That the action of the President in behalf of this Corporation in accepting and signing said agreements and contracts, be and is hereby ratified, confirmed and approved.

Mr. Werbe then reported that in accordance with the authority granted the officers by resolution adopted at directors' meeting held August 19, 1933, that a license agreement pertaining to suction inventions of Lynch Corporation had been entered into with the Owens-Illinois Glass Company. The consideration received by Lynch Corporation for such license agreement is the sum of One Hundred Twenty Five Thousand ($125,000.00) Dollars, and the assignment by Owens-Illinois Glass Company of certain assets acquired by the Owens-Illinois Glass Company from the O'Neill Machine Company relating to bottle forming machinery. This license agreement was then read and was discussed fully and freely. Upon motion made and seconded, the following resolution was unanimously adopted.

Resolved: That the License Agreement with the Owens Illinois Glass Company, dated August 23, 1933, presented and read at this meeting is deemed by the Board of Directors to be for the advantage and benefit of this Corporation and to its interests, and that the consideration, namely; $125,000.00 and the assignment of certain assets pertaining to the O'Neill bottle forming machines, is a fair and adequate consideration therefor:

And Resolved Further, That the action of the President in signing said agreement be and is hereby ratified, confirmed and approved.

[fol. 61105] Mr. Werbe then presented an agreement with the Owens-Illinois Glass Company, dated August 23, 1933, whereby the said Owens-Illinois Glass Company agrees to continue to Lynch Corporation until January 1, 1951, the rights with respect to Owens-Illinois Glass Company glass forming machine inventions provided for in the supplemental agreement between Hartford-Empire Company and the Lynch Corporation, in case Lynch Corporation does not continue to secure said rights from Hartford-Empire Company for any reason or cause. After full and free discussion thereof, and upon motion duly made and seconded, this agreement was accepted and ratified, confirmed and approved by the Unanimous vote of all directors.

Mr. Bridges then submitted to the directors a proposal from the Overmyer Mould Company in which the Overmyer Mould Company offers $7500.00, of which $2500.00 was to be in cash and $5000.00 in two non interest bearing notes, one due in six months and the other due in one year, for the mould business, including blue prints, special tools and fixtures, mould castings, patterns, etc. recently acquired in the purchase of the Miller Machine & Mold Works. Mr. Werbe advised the directors that the Lynch Corporation had no desire to continue the manufacture of moulds and therefore the Overmyer Mould Company's offer had been accepted. After full and free discussion thereof, and upon motion duly made and seconded, the following resolution was unanimously adopted.

Resolved: That the offer presented and read at this meeting, of the Overmyer Mould Company, dated September 7, 1933, is deemed by the Board of Directors for the advantage and benefit of this Corporation, and to its interests, and that the consideration is a fair and adequate consideration therefor:

And Further Resolved, That the action of the President in accepting and signing said offer be and is hereby ratified, confirmed and approved.

Mr. Watts explained that it was desired to use drafts drawn upon the Treasurer for payroll purposes, in order to avoid payment of the tax upon checks. After full and free discussion, upon motion duly made and seconded, the following resolution was adopted by the unanimous vote of all directors.

Resolved, That properly and genuinely endorsed drafts drawn upon the Treasurer of this Company, when signed by duly authorized check signatories, shall, when the same are in the hands of any depository bank of this Company, be valid and binding obligations of this Company.

Further Resolved, That the Treasurer of this Company or any duly authorized check signatory be and is hereby authorized, empowered and instructed to accept and pay all such drafts, properly signed and endorsed, as aforesaid, [fol. 61106] on demand of any depository bank of this Company.

Further Resolved, That any depository bank of this Company is under no obligation to the drawer, direct or implied, to pay such instrument and is without authority to charge the amount thereof against any account of the drawer.

Further Resolved, That the President or Vice President, respectively, are hereby authorized to give each depository bank of this Company a letter of indemnity to the effect that in case it shall at any time in the future be determined that transactions under this resolution are taxable under the Check Paragraph of the 1932 Federal Revenue Act, this Company will on demand reimburse such depository banks for any such tax which they may be required to pay and any expense, loss, cost, penalty, or damage in connection therewith.

Mr. Werbe advised the directors that for the time being, at least, it was the intention to operate the Miller plant in Columbus, Ohio, and it would be necessary to have a depository in Columbus and also a resident agent in the State of Ohio. Mr. Watts reported that the Lynch Corporation had been qualified to do business in the State of Ohio, and that Mr. Andrew George Doll had been appointed agent. After full and free discussion, upon motion duly made and seconded, the following resolution was adopted by the unanimous vote of all directors.

Resolved, That the Huntington National Bank of Columbus, Ohio, be made a depository for a sum not to exceed Five Thousand ($5000.00) dollars, said moneys to be used for payroll purposes and petty expenditures for the Miller Machine & Mold Division of the Lynch Corporation. That a check be drawn by the home office at Anderson, Indiana, and mailed direct to the Huntington National Bank for de-

posit only to cover all checks drawn against the bank during the preceding week.

Be It Further Resolved:—That Andrew G. Doll of Columbus, Ohio, be and is hereby appointed resident agent for the State of Ohio with full authority to sign payroll drafts and petty expenditure checks drawn against the Huntington National Bank, no one petty expenditure check, however, to be drawn in an amount greater than One Hundred ($100.00) Dollars.

Mr. Doll is not authorized to endorse, cash or deposit checks, drafts or money orders drawn to the order of Lynch [fol. 61107] Corporation or Miller Machine & Mold Division, nor is he authorized to borrow funds for the Lynch Corporation or Miller Machine & Mold Division.

Mr. Watts was instructed to furnish the Huntington National Bank with certified copies of the two preceding resolutions.

Mr. Watts reported that a Fidelity bond in the amount of Ten Thousand ($10,000.00) Dollars on Andrew George Doll had been issued by the Fidelity and Deposit Company of Maryland, and upon motion duly made and seconded, and by the unanimous vote of all directors, said bond was accepted.

Mr. Watts advised the directors that Mr. Werbe had deposited with the Citizens Banking Company in trust Certificate CU-1 of the Lynch Corporation calling for 13,800 shares to guarantee the faithful performance of his duties as President and Treasurer of Lynch Corporation, and that said stock was not to be released without a certified copy of resolution regularly passed by the Board of Directors of Lynch Corporation authorizing such release.

Mr. Werbe advised the directors that the officers had signed the President's Emergency N.R.A. Code and the factory was now operating under the Code.

Mr. Watts offered the following resolution:

Resolved: That the assets acquired from Edward Miller be set up on the Corporation's books as follows:

Buildings	$45,795.91
Furniture & Fixtures	6,090.57
Machinery & Equip.	92,326.72
Inventories	65,816.80
Land	4,000.00

Drawings	42,350.00
Patterns & Jiggs	39,370.00
Feeder patent	125,000.00
Other patents & Applications	29,250.00
Total	$450,000.00

Further Resolved: That the item of Other Patents & applications be charged off against earned surplus.

Mr. Watts explained that the above valuations were based upon an appraisal of Lloyd-Thomas & Company dated January 6, 1932, with the buildings depreciated at the annual rate of 5% and the furniture and Fixtures, Machinery & Equipment and Jigs depreciated at an annual rate of 10% from appraisal date to date of acquisition. That the drawings and patterns were depreciated 40% from valuations set by the former owner on appraisal date. Land value was appraised on four city lots appraised by Columbus people. [fols. 61108-61109] Inventories were taken at time of acquisition and valued at estimated cost by Lynch and Miller employees. Feeder patents valued at a sum for which arrangements had previously been made for the sale of this asset. Value of other patents and applications covers several patents and applications and seems to be a fair valuation. After full and free discussion, the resolution was duly moved, and seconded, and carried by unanimous vote.

There being no further business to come before the Board, the meeting adjourned.

(Signed) T. C. Werbe, Chairman. J. L. Watts, Secretary.

[fol. 61110] GOVERNMENT EXHIBIT No. 1661

Elmira, N. Y., December 7, 1932.

A Special Meeting of the Board of Directors of Thatcher Manufacturing Company was held at the offices of the company, 1901 Grand Central Avenue, Elmira, N. Y., on Tuesday, December 7th, 1932 at 9:30 A. M.

Present: Chairman, H. C. Mandeville; President, R. W. Niver; and directors, Jervis Langdon, F. W. Swan, C. K. Hevener, Chas. F. Bullard, S. G. H. Turner, C. G. Decker.

A proposed contract between the Knox Glass Bottle Company and Thatcher Manufacturing Company in regard to the purchase of the Knox milk bottle business was read and generally discussed, partly by telephone with Mr. Underwood. This ended with some changes being accepted by Mr. Underwood and the contract was agreed to by the parties concerned.

Mr. Turner offered the following Resolution:

Resolved, that the proper officers of this Company be and they hereby are authorized and empowered to execute and deliver on behalf of this Company an agreement with the Knox Glass Bottle Company of Knox, Pennsylvania, and Roy R. Underwood of the same place, in substantially the form and substance as the agreement dated December 5, 1932, read and considered at this meeting, and providing for the acquisition from Knox Glass Bottle Company of certain licenses from Hartford-Empire Company, relating to the manufacture and sale of milk bottles, together with six machines, also name plates, molds, templets, jigs and tools, castings and also good will, business and records of Knox Glass Bottle Company, connected with the manufacture and sale of milk bottles, and also the agreement [fol. 61111] of Knox Glass Bottle and Underwood, covering the transfer of the milk bottle business and customers to this Company, all as in said agreement set forth, in consideration of the payment of Seventy-five thousand Dollars ($75,000) in cash immediately, one hundred seventy-five thousand Dollars ($175,000) by delivery of milk bottles at full sale price, less 6½% discount, and the issuance and delivery of Fifteen thousand (15,000) shares of the common stock of this Company; and

Further resolved, that of the authorized common capital stock of the Company, there be issued not to exceed Fifteen thousand (15,000) shares in addition to the One hundred thirty-one thousand eight hundred thirty-six (131,836) shares now issued and outstanding, such additional Fifteen thousand (15,000) shares to be issued to Knox Glass Bottle Company, or its order, as a part of the consideration of the purchase of its milk bottle business and machines, as hereinbefore stated and such shares to be issued at the rate or price of Eight Dollars ($8.00) per share; and

Further resolved, that application be made to the New York Stock Exchange for the listing of Fifteen thousand

(15,000) additional shares of the common stock of this Corporation, and that H. C. Mandeville and/or W. E. Roberts be designated by the Corporation to appear before the Committee on Stock List of said Exchange, with authority to make such changes in said application, or in any agreements relative thereto, as may be necessary to conform with requirements for listing; and

Further resolved, that the Chemical Bank & Trust Company of New York City, the Transfer Agent of the Corporation, be authorized to record on its transfer record, to countersign as Transfer Agent, and to deliver to the Central Hanover Bank and Trust Company of New York City, as Registrar, and, when countersigned by such Registrar, to deliver certificates in such name and for such number of shares of common stock (in addition to the shares heretofore specified), not exceeding in the aggregate Fifteen Thousand (15,000) shares of said common stock as the President or Vice-President of this Corporation may, from time to time direct under the seal of the Corporation, at- [fol. 61112] tested by the Secretary or Assistant Secretary thereof; and

Further resolved, that the said Transfer Agent be authorized to transfer on its record, from time to time, when presented for that purpose, certificates of said stock countersigned by it as Transfer Agent and registered by said Registrar, and upon cancellation of the old certificates, to countersign new certificates for corresponding aggregate number of share and to deliver the same as such new certificates shall have been registered by the said Registrar; and

Further resolved, that the officers of this Company are, and each of them is, hereby authorized to execute any and all documents and to take any and all actions by them, or any of them, deemed advisable for the purpose of carrying out the intent of any and all agreements and other documents authorized at this meeting, and generally, to carry out the intent of the action taken by the Directors at this meeting.

Upon motion of Mr. Swan the Resolution was adopted.

Upon motion the Board adjourned.

By —— ——, Secretary.

[fol. 61113] GOVERNMENT EXHIBIT No. 1662

Elmira, N. Y., February 18, 1931.

The regular monthly meeting of the Board of Directors of Thatcher Manufacturing Company was held at the offices of the Company, Eldridge Park and Grand Central Avenue, on Wednesday, February 18th, 1931 at ten A. M.

Present: Chairman, H. C. Mandeville; President, R. W. Niver, and Directors Jervis Langdon, F. W. Swan, C. G. Decker.

Mr. Wm. H. Mandeville was also present.

The Minutes of the meeting of January 21st were read and approved.

A Contract between Thatcher Mfg. Co., Hocking Glass Co. and Hartford-Empire Company, signed by Messrs. Mandeville, Niver and Griffis, Committee appointed at last Director's meeting, contract dated February 11th, was read.

Mr. Langdon moved that the signature for Thatcher Mfg. Co. to this Contract be approved. Carried.

Mr. Langdon offered the following Resolution:

"Resolved: that the bond of Donald G. Case, Jr., presented herewith, indemnifying the Thatcher Manufacturing Company, The Chemical Bank and Trust Company, Transfer Agent, and the Central Hanover Bank and Trust Company, Registrar, is hereby accepted by this Board.

Further resolved: that the Chemical Bank & Trust Company, Transfer Agent, and the Central Hanover Bank and Trust Company, Registrar, are hereby authorized and directed to issue a new Certificate to Mr. Donald G. Case, Jr., for eight (8) shares of Convertible Preference Stock of the Thatcher Manufacturing Company in place of Certificate DCPO-1204 reported lost.

Further resolved: that in consideration of the issuance of such new Certificate, this Company does hereby indem-[fols. 61114-61124] nify the said Chemical Bank and Trust Company, Transfer Agent, and the Central Hanover Bank and Trust Company, Registrar, and each of them jointly severally, from and against any and all suits, actions, damages, expenses and liability, whatsoever, in any suit arising out of, or connected with the loss of said Certificate of Shares above mentioned and the issuance of the new Certificate therefor."

Mr. Swan moved that the Resolution be adopted. Carried. On motion the Board adjourned.

By —— ——, Secretary.

[fol. 61125] GOVERNMENT EXHIBIT No. 1666

Postponed Annual Meeting of Shareholders
of
General Glass Company

Lancaster, Ohio,
April 11, 1933.

Pursuant to personal notice, written notice hereby being waived, the Postponed Annual Meeting of Shareholders of the General Glass Corporation met at the Office of the Corporation at Lancaster, Ohio, at 1:00 o'clock P. M. this date.

I. J. Collins, President of the Corporation acted as Chairman of the meeting and Thomas C. Fulton, Secretary and Treasurer of the Corporation acted as Secretary of the Meeting.

I. J. Collins, President of The Hocking Glass Company, owner of 50% of the stock of the Corporation, represented the stock of The Hocking Glass Company, and R. W. Niver, President of the Thatcher Manufacturing Company, owner of 50% of the stock of the Corporation, represented the stock of the Thatcher Manufacturing Company.

Secretary Fulton read the Minutes of the last Annual Meeting, also the Minutes of the last Annual Directors' Meetings, and upon motion duly offered, seconded and unanimously carried, the Minutes were approved.

Thereupon the reports of Officers were heard; The Treasurer submitted and reviewed the Annual Statement for the year 1932. After full discussion, and upon motion duly offered, seconded and unanimously carried, the Reports of Officers were duly approved.

Chairman Collins thereupon related the various contracts entered into in behalf of the Corporation and recited the acts of Officers in behalf of the Corporation and upon mo-

tion duly offered, seconded and unanimously carried, all contracts entered into and acts of Officers in behalf of the Corporation were duly approved.

Chairman Collins thereupon stated that the next business in order was the election of Directors to serve for the coming year and until their successors were elected and qualified. The following Directors were nominated:

I. J. Collins, Thomas C. Fulton, Wm. V. Fisher, R. W. Niver, H. C. Mandeville, Stanton Griffis.

[fol. 61126] Upon motion duly offered, seconded and unanimously carried, the above Directors were elected as above set out.

Treasurer Fulton made statement as to the transfer of the major portion of the Corporation's funds from the Fletcher American National Bank, Indianapolis, Indiana, to the Hocking Valley National Bank, Lancaster, Ohio, prior to the Bank Holiday of last March. The Treasurer explained that in view of the fact that he positively knew of the solvency of the Hocking Valley Bank, Lancaster, Ohio, and inasmuch as the solvency of Banks generally was questionable, he, after conferences with President Collins, decided to hurriedly transfer the major portion of the funds from the Indianapolis Bank to the Lancaster Bank. Subsequent events proved the wisdom of this transfer of funds. Approval by the Stockholders and the Directors is desired in view of our articles specifying the Fletcher American National Bank as a depository for this Corporation. Upon motion duly offered, seconded and unanimously carried, the above action was approved.

There being no further business presented to the Meeting, upon motion duly offered, seconded and unanimously carried, the meeting was declared adjourned.

I. J. Collins, Chairman; Thomas C. Fulton, Secretary.

The above Minutes read and approved:

I. J. Collins, President, The Hocking Glass Company; A. W. Niver, President, Thatcher Manufacturing Company.

[fols. 61127-61140] GOVERNMENT EXHIBIT No. 1667

Copy

Postponed Annual Meeting of Directors

of

General Glass Company

Lancaster, Ohio,

April 11, 1933.

The newly elected Directors of the Corporation met in Postponed Annual Meeting at the office of the Corporation in Lancaster, Ohio, at 1:30 P. M., above date.

I. J. Collins acted as Chairman of the Meeting and Thomas C. Fulton acted as Secretary of the Meeting. Secretary Fulton read the Minutes of last Annual Meeting, and upon motion duly offered, seconded and unanimously carried, the Minutes were approved as read.

Inasmuch as the Directors present were also present at the Stockholders' Meeting just held in which the Reports of Officers and statement of contracts entered into by the officers in behalf of the Corporation, and acts of Officers in behalf of the Corporation were made, this was dispensed with in the Directors' Meeting. Upon motion duly offered, seconded and unanimously carried, the Directors approved the action of the Stockholders' Meeting in approving the contracts entered into by the officers in behalf of the Corporation and the acts of the Officers in behalf of the Corporation.

Thereupon Chairman Collins stated the next business to come before the meeting was the election of Officers. The following Officers were duly nominated:

I. J. Collins, President; R. W. Niver, Vice President; Thomas C. Fulton, Secretary; Thomas C. Fulton, Treasurer.

Upon motion duly offered, seconded and unanimously carried, the above Officers were elected to serve for the coming year and until their successors were elected and qualified.

There being no further business to come before the Meeting, upon motion duly offered, seconded and unanimously carried, the Meeting was declared adjourned.

I. J. Collins, Chairman; Thomas C. Fulton, Secretary.

[fol. 61141] GOVERNMENT EXHIBIT No. 1674

Copy

UNITED STATES DISTRICT COURT, WESTERN DISTRICT OF PENNSYLVANIA

THE OWENS BOTTLE COMPANY, Plaintiff,

vs.

J. T. & A. HAMILTON COMPANY, and HARTFORD-EMPIRE COMPANY, Intervening Defendant

In Equity No. 937. On Lott Patents Nos. 1,382,993 and 1,382,994

STIPULATION—Filed June 28, 1924

It is hereby stipulated between the plaintiff and the defendants that a consent decree in the above-entitled case may be entered holding, to wit:

I. That the plaintiff, the Owens Bottle Company, is the sole owner of all right, title and interest in and to said Letters Patents Nos. 1,382,993 and 1,382,994 and of the invention therein set forth.

II. That Clyde R. Lott, the patentee, was the first, true, original and sole inventor of the invention described and claimed in said Letters Patents 1,382,993 and 1,382,994.

III. That Letters Patents of the United States issued to Clyde R. Lott on the 28th day of June, 1921 for Means and Method for Producing Charges of Molten Glass and for Method and Apparatus for Making Glass Articles numbered 1,382,993 and 1,382,994 are each good and valid in law.

IV. That the defendants, J. T. & A. Hamilton Company [fol. 61142] and Hartford-Empire Company and each of

them have by the structures complained of infringed upon said Letters Patents Nos. 1,382,993 and 1,382,994 and each of them and upon the rights of the complainant under the same.

V. That in view of a settlement for past damages, profits and costs and the taking of a license by the defendants under the patents in suit, that an injunction and an accounting shall both be waived.

(Sgnd) The Owens Bottle Company. By Winter & Brown, Plaintiff's Solicitors.

J. T. and A. Hamilton Company, Defendant and Hartford-Empire Co., Intervening Defendant. By Kay, Totten & Brown, Their Solicitors. John P. Bartlett, Of Counsel.

Dated: Toledo, Ohio, June 10, 1924.

(Here follow 2 photolithographs, side folios 61143, 61144)

GOVERNMENT EXHIBIT No. 1675

HARTFORD - EMPIRE COMPANY

LICENSORS OF
HARTFORD-FAIRMONT AUTOMATIC MACHINES
EMPIRE MACHINES
HOWARD FEEDERS
CABLE ADDRESS "EMHART HARTFORD, CONN."

GLASS WORKING MACHINERY

GLASS WORKING MACHINERY DEVELOPED FOR SPECIAL PURPOSES

CONSULTING ENGINEERS FOR MANUFACTURERS OF GLASSWARE

HARTFORD, CONN.

August 26, 1924 1147-2

Mr. Henry W. Carter
Owens Bottle Co.
Toledo, Ohio

Re: Headley & Thompson

Dear Mr. Carter:-

It seems rather likely that the negotiations with Whitall-Tatum will fall through or be deferred in such a way that we shall have to stage a delaying fight. Mr. Byrnes says that we cannot succeed in holding the Headley & Thompson cases in the Patent Office through interference proceedings, but that if we do not deal be

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Dear Mr. Carter:-

It seems rather likely that the negotiations with Whitall-Tatum will fall through or be deferred in such a way that we shall have to stage a delaying fight. Mr. Byrnes says that we cannot succeed in holding the Headley & Thompson cases in the Patent Office through interference proceedings, but that if we do not deal, he proposes to file divisional applications on matters covering commercial machines, and that he is sure of being able to issue dominating patents on the divisionals in spite of anything that we can do.

For the purpose of forestalling any such program, we think it would be desirable, if possible, to plant a series of traps for such possible Headley & Thompson divisionals, the traps consisting of new applications to be filed to cover the several subjects matter which Headley & Thompson seem likely to dominate. Our first idea was to try to file one or more applications in the name of Clinton S. Budd, who is now with the Berney-Bond Glass Company at Clarion, Pa., and who, as we understand it, claims to have invented the automatic bottle making system away back in the dark ages. Even at this late date an application by Budd covering Headley & Thompson features would enable us to provoke interferences with Headley & Thompson applications, because Budd could probably swear back far enough to overcome Headley & Thompson's filing date.

In addition to Budd, there are various other inventors who we might induce to file applications along this line. We have thought of Proeger, O'Neill, Lynch, Cox, James M. Young and even possibly Mr. Owens. All of these inventors have worked on bottle machines for many years, and a tour of investigation might well disclose that some or all of them have old time ideas which could be made the basis of applications sufficiently plausible to be put into interference with Headley & Thompson's

61143

14100A

proposed divisionals. Prior public uses would, of course, have to be considered, but might be avoided by making the claims of the proposed applications quite specific, or some other scheme might be devised for whipping this particular devil around the stump.

If it seems, on further consideration, that this plan has any merit, we think it would be wise to sort out the various groups of dominating claims which Headley & Thompson seem likely to obtain, and take up actively the investigation to see if we can find inventors like Budd or some of the others in the above list who might be able to file applications supporting each group of claims.

This letter is being sent to you as a memorandum for your attention on your return from your vacation, which we hope is a pleasant one.

Yours very truly,

HARTFORD-EMPIRE COMPANY
Patent Department

By R. D. Brown

RDB/erl

61144

141008



[fol. 61145] GOVERNMENT EXHIBIT No. 1676

Jan. 16, 1925.

Mr. Vernon M. Dorsey, 635 F Street, N. W., Washington, D. C.

Re: Headley & Thompson

DEAR MR. DORSEY:

The Headley & Thompson contract was finally agreed to and initialled yesterday. Final copies are being made and will be sent to the members of the Board for approval or criticism.

As I told you over the telephone this morning, Section 5-Aa has had most of the teeth drawn out of it, and we are obligated only to wind up the present interferences. At the same time, we must, of course, pull out of the Sears application the demand that we have heretofore made for interference. As you may remember, we copied in the Sears divisional Case 1372-a-1, Ser. No. 689,995, all of the claims standing in either of the H & T applications that could be read by any stretch on Sears. These claims were offered in an amendment dated October 7, 1924.

It will be just as well if Byrnes never knows that we started this attack, particularly as some of the claims of H & T, Ser. No. 60744 were copied. Would it not be a good plan to have someone from your office pass the word to Sheffield that no more interferences with H & T are desired, so that he will be sure not to declare any such interferences within the next two or three weeks? By that time the final contract will have been signed, sealed and delivered, and we can cancel our amendment from the Sears case.

Yours very truly, Hartford-Empire Company, Patent Department. By R. D. Brown.

RDB:ERL.

[fol. 61146] GOVERNMENT EXHIBIT No. 1677

(Copy)

September 29, 1927.

Turner Glass Co., Terre Haute, Ind.

Carey & Bob.

DEAR FRIENDS:

The Baltimore bankers, F. Goodwin & Herbert Knox

Smith, Ike and I met Wednesday and the following pertinent points were brought out.

It is very probable that Ike and the Hartford-Empire crowd would take the Hartford-Empire Stock at $35.00 per share if Monongah continues and at that price by dividing the money as per the trust agreement, we could pay off our Bank Loans at Monongah and this really seems the best and only thing we can do, but a plan like that depends on getting a $35.00 bid and the bankers are approving of it.

The Bankers said that they questioned if we should be given that privilege—they take the position that the Company has never made money since they bought the bonds, and is showing a deficit now. So why play along any further—they thought the thing to do was to foreclose and then sell it, in that way the bondholders would, in their opinion, get 100 cents on the dollar. The creditors would probably be paid, but the Preferred Stock Holders and Common Stock Holders would lose.

A judgment along this line assumes that some one would buy the plant, and of course the bankers assume that we would buy it. I don't think we would.

Both Ike and I felt and told them that if they would let us sell the stock at $35.00 and continue as we are now operating that we thought it could be worked out eventually, but if they did not do that, we would be in favor of turning the plant over to the bond holders and we would step out.

In case we step out, we would have only T. H and Winchester to operate, and we can fill the extra tank at Winchester with Tumblers as easy as we can fill the tank at Monongah and make more money.

The Bankers would not give us a definite answer but are going to write us further.

I was sorry Mr. Arkell was not here. His wife died Saturday. I am going to advise him regarding our progress.

I have just had a thorough talk with Mr. Arkell. He just listened to the story as I have above written, then he asked about the payment on further boxes. I said there was [fol. 61147] nothing to do except to pay as we used them.

Please send a copy of this letter to Perrya O'Neil and Nelson Rodgers.

Sincerely, Sgd (Harry D. Hartley).

[fol. 61148] GOVERNMENT EXHIBIT No. 1678

Savings

Freight

The freight on outgoing shipments averages 30 cents per 100 weight, which is $6.00 per ton and this freight expense will not be changed on account of maintaining the large glass manufacturing units.

The factory located with a less freight than this has a decided advantage and it is quite possible that on account of the increase of the productive ability the larger companies are now planning to put in smaller units at the large consuming centers. It is quite probable that in the course of the next few years smaller units can be installed which will reduce this freight expense down to a 16 cent rate, which would make a $3.20 freight cost or a saving of $2.80 per ton.

Tank Expenditure

The melting tank is constantly being improved and whereas the cost of melting tanks has been running at approximately $2.00 a ton, it is quite apparent this is going to be reduced 50 percent; namely a savings of $1.00 per ton.

Weights of Ware

Developments have advanced to such a point that it is fairly reasonable prophecy that glass containers with equal strength will be made in the next two years of ⅔ of the glass contents. This would make a savings in batch of approximately $2.25 per ton.

The waste of material in going through the factory is gradually being reduced by improvements of machines and heating control devices, indicating that the waste can be reduced so that it will amount to about $2.40 per ton.

Capital Expenditures

The installation of new and improved tanks with new and improved machines for faster operation and reducing the waste, means that the present factories will increase their production probably 25 percent to 50 percent and this means that in case they do not centralize, they will have to go further away from their factory for additional business, which would make a burden to the industry. But, if the factories will decentralize, whereas the capital expenses

now amount to approximately $5.00 per ton, with the increased output of tanks and machinery and the rebuilding of plants, this expense probably can be reduced to $2.50, making a savings of $2.50 per ton.

The above savings based on a bookkeeping method of where the glass costs approximately $40.00 per ton, means that there will be a savings of the following amounts:

a. Freight	$2.80
b. Capital Expenditures	2.50
c. Tank Expenditures	1.00
d. Fuel	2.25
[fol. 61149] Waste of material	2.40
Total	$10.95

The above indicates that the entire feasibility to reduce the cost of glass 25 percent from the $40.00 basis, the present prices prevailing on all competitive lines of glass which includes all lines except milk bottles, pressure ware and mason fruit jars, means that the price on the competitive ware which gives us $40.00 per 1000 for the glass has a possibility of being reduced 25 percent and this means that the present price of glass probably will not be increased but that capital will be thrown into the industry to obtain these savings so that a profit can be made out of the present prices.

The manufacturers who are now manufacturing the general class of trade and who know that the price of milk bottles, pressure ware and mason fruit jars are on a much higher level than the general lines, will naturally make an effort to change from the line of the lower level of prices to the milk bottes, pressure ware and mason fruit jar lines.

[fol. 61150] *Capital Investments*

The glass factory capable of making 120 tons per day for 330 days per year, which is 1,188,000 gross, will cost approximately $1,500,000. This does not include inventory or receivables.

Assuming that the total demand is 35,000,000 gross, it means that the plant inventory would be approximately $29,600,000 and in this program you would have 40% idle capacity to take care of you during the tank rebuilding periods, or to take care of extremely heavy trade demands.

The total volume of business being approximately $150,-500,000 and using the usual 30 day terms, the total value of receivables would be approximately $12,000,000 and the inventory of an equal amount means that the total investment in the glass industry should be in the neighborhood of $54,000,000.

Any investment above this amount is seemingly a burden on the industry.

I have roughly estimated the amount of invested capital as something around $150,000,000.

[fol. 61151] *Patent Situation*

The glass container industry is operated by machinery, part of which is owned outright by the container company and the other is leased and operated on royalties.

The royalties first came prominently into the picture when automatic blowing machines was patented by the Owens Machine Company.

The royalties compared with other lines of business, seemingly are very high.

The Owens Machine Company found it expedient to manufacture the glass bottles evidently because they could not lease enough of their machines and they found themselves in the position of a licenser and an operator.

The operators who were the licensers were naturally competitive with the Owens Machine Company and a result was that a competitor came into the field on the licensing matter in the Company which is now known as the Hartford-Empire Company.

It also developed there were machine furnishers who sold equipment without royalty. This condition became constantly more aggravating and the tendency today is for the manufacturers who are paying licenses to find some way of inventing equipment which will remove that license money. The manufacturers who are not paying license are being sued for infringement which causes the unlicensed manufacturer to develop something that will eliminate at least the contingent liability.

The Owens Machine Company has increased their business in the bottle making and seemingly decreased their income from royalties.

Royalties now amount to approximately 10 cents per gross. The average selling price outside of milk bottles

and mason fruit jars is around $3.00 per gross. In other words, the royalty now amounts on the gross business to approximately four and one-half million and insomcuh as the manufacturing end of the business can probably be handled on about fifty million dollars of capital, it means that in addition to their capital charge they have another direct charge on licenses of approximately 9 percent on fifty million dollars. In other words, the machinery end of the business has become a problem which seemingly is larger than the manufacturing end.

[fol. 61152] *Lines of Varying Competition*

Proprietary and Prescription Ware

About 80 percent of this line is controlled by the Owens Illinois organization and in itself amounts to about 10,-000,000 gross per year which in turn is about 30 percent of the industry. The competition lies with the Knox Bottle Company, Whitehall and Tatum, Upland Glass Company, Fairmount Glass Company and several others.

Fruit Jars

Domestic fruit jar business is in the hands of Ball Brothers and the Hazel Atlas Glass Company. This business is probably about 3,000,000 gross per year of which I would say they control 95 percent and the Owens Illinois manufacturing the remaining. Outside of that there is no competition.

Milk Bottles

The milk bottle business of approximately 2,000,000 gross, is handled by 1,000,000 Thatcher Manufacturing Company, 600,000 Berney Bond (which is now owned by Owens Illinois), the balance in the hands of the Atlantic Bottle Company and two or three small companies. It has never been highly competitive due to the difficulty in the manufacture of milk bottles and the patent control of the feeders which are used in the manufacture of the milk bottles.

Beverage Bottles

The beverage bottle field which use approximately 4,000,000 gross per year, is largely controlled by the Owens Illinois Glass Company through the American Bottle Com-

pany and close affiliation with the Root Glass Company, Chattanooga Bottle Company, Reed Glass Company and several others, but on account of the few number of people manufacturing this ware, it has been only slightly competitive.

Packers Ware

The packers ware which amounts to about 12,000,000 to 15,000,000 gross per year, covering the wide mouth, narrow neck and various other technical trade names of bottles and varieties, is manufactured by practically all of the other glass manufacturer, including most of the people who are specializing in such things as proprietary and prescription ware, fruit jars and beverage bottles. This has been highly competitive and under a competitive market has brought the price down to a $40.00 a ton basis.

It appears to me that the prices that are obtained in excess of the price prevailing on packers ware is on a temporary situation that eventually they must all come down to the same level and that means that whereas possibly the most efficient manufacturers manufacturing packers ware will have to secure the maximum efficiency and this leads more and more to the necessity of decentralization and savings in freight, ware-housing, etc.

[fol. 61153] Distribution

Glass ware is now distributed by the glass manufacturer securing closures and corrugated boxes and assemblying all of this at the glass factory where it is shipped direct to the manufacturer or user. This has to a very great extent eliminated the so-called jobber and in fact due to the lesser number of people using bottles, the necessity of factory warehouses is becoming a thing of the past, so that the distribution of glass means shipping direct from the glass factory to the consumer.

The users of glass in packing plants and bottling works is getting into the hands of larger people and larger units so that the individual packing plant really is becoming quite a competitor of a glass factory as it is entirely feasible to think of him putting in his own glass plant, particularly if he could secure an improved glass manufacturing unit which depends more on mechanical equipment than it does on the art of glass making. All of the manufacturers of

glass making machinery are improving all of the art to make glass and increasing the mechanical efficiency of all of the parts so that it is not a far thought to think of there being available commercial glass factories which can be run on standard batches and definite kinds of glass and operated by securing heat from the gas companies in the town, with electric power from the generating stations. This is going to eliminate the necessity of batch making devices, gas producers and power houses which in turn will greatly reduce the capital expense, which again is further evidence of the necessity of looking to the field of decentralization of glass factories.

[fol. 61154] Containers

It has been common to think of the glass manufacturer as a manufacturer of glass only but recently they have been increasing the manufacture of tin cans and other metal closures and a great many are making their own corrugated boxes so that it appears we are gradually drifting to where we ship a container which in itself contains the proper number of glass articles and closures and labels so that this container is complete in itself to go to a packing house, be filled and reshipped.

Therefore, it is perfectly logical to think of this as a container field and have it include glass closures and corrugated boxes.

[fol. 61155] Design

The consumption of glass containers depends entirely on the number of pieces that the buying public buy from the retail distributors, whether they be stores, wagons or mail order houses and insomuch as the material arriving at the home is now either stored in the bathroom or the kitchen where they have developed an artistic taste, it has necessitated the design of a bottle which has art as well as usefulness, and insomuch as the retail stores in themselves are using these bottles as attractive features to their stores, it means that an added expense of competition on art will have become an added increase in cost unless restriction on standardized bottles is not put into effect. It is apparent that this problem can be best met by a fewer number of minds working on it than to have a large number of competitors.

The possibility of making glass at $30.00 a ton or even lower, which is 1½ cents a pound, the conceivability of glass weighing ⅓ less than it does at the present time is necessary because with the high price glass and heavy weight, it opens up the possibility of using tin or paper as a substitute for glass, or it invites developments of other preparations such as cel-ephane, mackalite, etc.

The necessity of reduced cost is apparent from most all angles.

[fol. 61156] Mechanical Devices

Batch Making Material

Batch making material at various glass factories is expensive and due to the rapid developing standard batch it is quite feasible to have the batches concentrated at one central point and shipped ready for delivery to the tank.

Furnaces

Two years ago a glass furnace was considered fairly efficient when it manufactured one ton of glass to every 14 square feet of heating surface. This has been reduced in the past two years whereby it is common practice to make a ton of glass to every 10 square feet of heating surface. Improvements are now in progress so that the manufacturers of glass do not hesitate to state that in 12 months we will be making glass on 7 square feet of heating surface.

A manufacturer has now come on the market with not only manufacturing glass on 7 square feet but the saving of approximately ⅓ of the heat that is now used in the manufacture of glass and the reduction in the rebuilding time from six weeks to two weeks.

Other people are working on tanks which they say will be even better than the above so it means likely there will be greater savings in the amount of expense to a tank and at the same time it means they will greatly increase the amount of output which will make the bad competitive situation much worse.

Feeders

The feeder is the means of taking the glass from the glass melting tank and dropping it into the glass forming ma-

chine. This is done in two ways: first, by the sucking up process known as the Owens or Vacuum System and the other is the gob or what is known as the feeder.

The feeder is developed to a point where it can pull glass much faster than the glass forming machine can take it and the tendency has been to discontinue the use of the Owens Machine except for small ware and to increase the use of the feeder.

Machines

The glass blowing machine has become highly competitive. It seems that the Owens Illinois Company, manufacturing the Owens Machine, the Lynch Machine Company manufacturing what is known as the narrow neck Lynch machine, the Miller Machine Company manufacturing the wide mouth machine, the Hartford Empire Company, who have been manufacturing both wide mouth and narrow neck machines, Knox O'Neal Company who have been manufacturing O'Neal machines and several other smaller units are now developing and seemingly are pretty close to the accomplishment of a machine which will blow glass 30 to 40 percent faster than the present machine.

[fol. 61157] A great deal of thought is being given not only to the machine operation but the development of the molds because after all the rapidity of blowing a glass bottle depends on how fast you can cool it and in such industry as the incondescent light globe, it is not parallel to the container, but they have been able to get very much higher speeds than they have on the container machine and a great deal of development has occurred in the last 12 months on a positive heat control mold maintained with fluids which will increase the speed of machines.

Lehrs

The lehrs have now been developed so that there is very little waste in the annealing of glass.

Packing

The assemblying of the glass container with the closure and with the corrugated box has really been quite an item of expense in the manufacture of a complete container, possibly due to the fact that in the manufacture of the glass bottle under our present method, it is necessary to carefully

inspect every piece but the manufacturer feels that with proper batch control, tank operation, feeders, machines, and lehrs, it will be possible to eliminate the labor of inspection and do it mechanically with light or sound waves. In fact this is now being done in some of the European factories.

It is a common statement that the labor is greater from the time the bottle is made until it is put in the car for shipping than the labor is for making the bottle itself.

[fol. 61158] Conclusions

I feel that the glass container industry will be absorbed and known hereafter as the container industry which will comprise not only the glass making but the closure and the corrugated boxes. It will ultimately lead to a decentralizing of plants and a reduction of the amount of capital investment in the plant and a reduction in cost which, if the figures mentioned in this statement are reliable, would indicate that the completed container with the glass closure, etc., will probably be selling shortly from 25 percent to 30 percent less than the present prices and the earnings on the capital investment will be larger than it is on the bottle investment.

This, of course, contemplates reduction of factories as they are now located, the rebuilding of new factories and the practical application of this seemingly is either going to be the closing up of present factories or getting the factories into fewer hands, or there will be a lengthening of the time when they will arrive at this ultimate plan.

H. D. Hartley,
Indianapolis, Indiana.
June 2, 1930.

[fol. 61159] Government Exhibit No. 1679

Special delivery

June 5, 1930.

Mr. H. D. Hartley, Prest., Turner Glass Corp'n., Indianapolis, Indiana.

Dear Harry:

Herbert and I have found your regime of thoughts on the glass industry very interesting reading.

I had in mind that you were possibly going to say more about the advantages of combination as effecting the total cost of supplying glass containers. Are there not advantages other than freight and decentralization? I had assumed that considerable savings might be made in purchasing power, in the elimination of the duplication of sales effort, and in general overhead organization. It seems to me that these are tangible reductions which you could figure out. Certainly some direct savings could be made in the cost of raw materials and in the elimination of sales offices, in the elimination of duplicate advertising, and other overheads.

Taking your report now page for page, I offer the following comments:

Savings

Tank Expenditures

It is not clear to me just what you are talking about. You say you refer to the cost of melting tanks. Is this a maintenance cost, or is it a capital investment, or are you referring to merely the cost of melting? If so, $2.00 a ton, in [fol. 61160] accordance with our records, is way out of the way. All I can say is that we know there will be a large reduction in the cost of actually melting the glass, which is now around $6.00 or $7.00 a ton for fuel.

Batch

It is not clear to me what you term the wasted material going through the factory. You know more about this than I do.

Capital Expenditure

I think I would approach this from a different angle than you do. I do not think that decentralization alone outside of the savings in freight would be the cause of reduction which you figure. In other words, if one forgets the freight savings, I do not believe that ten plants located in different parts of the country could manufacture ware cheaper than one large plant. Example: If I had a million gross of bottles to produce, and did not have to think of the freight situation, I think I could produce the million gross cheaper in one plant than I could in ten plants. I think the real answer to what you have in mind is that small plants with

much more flexible equipment which can be purchased at a minimum cost will, due to the small flexible units, be able to produce glassware cheaper than a large plant with large units.

Again, leaving the freight situation out of the picture, flexible small units are going to reduce the manufacturing cost. This would be true whether the flexible small units were located in ten different places or located in one place.

I think your conclusions of a total saving of $10.00 a ton are approximately correct, although I would use a different set of figures to make up this total saving.

I do not view with as much concern as you do the immediate additional competition in milk bottles and Mason fruit jars.

[fol. 61161] Capital Investments

I have no figures which would permit me to make any intelligent comments on these items of capital investments. Two things strike me however, namely—that you have not given due allowance for the necessary working capital, also that during the period when the capital investment changes from 150,000,000 down to your figure of 54,000,000 there will continually be what you call the obsolete investment which must pay its way out, and I foresee that this obsolete investment will be a burden on the industry for many years to come.

Patent Situation

Third Paragraph

I will be interested in receiving figures which are the basis of your thoughts that the royalties as compared with other lines of business are high. We cannot agree with you here, because from what little we know about other royalties, the glass royalties are low. 3⅓% of the selling price is not high.

Sixth Paragraph—1st line

I suppose you refer to machine manufacturers.

4th, 5th, and 6th lines

Where you mention "licenses" I assume you mean "royalties".

The same old question comes up which is always debatable, namely—is it cheaper for a manufacturer to do his own development, or to pay others to do it for him?

Last Paragraph

You are all wet as to the 4½ million dollars a year collected in royalties. I cannot figure up 2½ millions, which would include all the royalties that Owens collects. Our own royalties have never reached 2 million, including everything that we put out. And now that Owens owns Illinois it merely leaves Owens Company in a position of [fol. 61162] collecting a few royalties out of Ball Bros., and I happen to know that the amount they receive from Ball Bros. is very small.

Lines of Varying Competition

Prescription Ware

Salem Glass Works are an important factor here. So is Obear-Nester—far more so than the Fairmont Glass Company.

Beverage

I do not know what your ideas are as regards a close affiliation between American Bottle, the Root Glass Co., Chattanooga, and Reed. I assume you mean that they more or less work together as far as beverage ware is concerned.

Distribution

I have a feeling that as long as there is an over-production capacity, a certain amount of warehousing will be necessary. I think as long as this situation exists a number of manufacturers, in order to obtain the business, will agree to carry inventories.

In your last paragraph under this heading you say that manufacturers are reducing the art of making glass. I suppose you mean they are improving the method of making glass by mechanical control.

I do not take much stock in your idea of a standard batch being made in one location. First I do not think there is going to be what you might broadly call a standard batch. I can foresee that a large manufacturing unit may event-

ually make their batch in one place, and that that batch may be standardized, although much may be said on the other side of the picture, namely, that we believe scientific development will produce certain new glasses with new properties, and that these glasses will be controlled by valid and basic patents.

The securing of heat from the gas companies, etc. is something that may come along within the next ten years, but has no particular bearing, as I see it, on the present [fol. 61163] situation. In other words, you and I can sit and dream about all the various things that may or may not happen, but if we have a case to prove it has got to be proved on tangible facts. I would choose to call your last paragraph under distribution as "window dressing and coloring".

Containers

I suppose in the third line the words "tin cans" mean "tin caps".

Design

I would agree with you that for certain selected trades and from an advertising standpoint the design or artistic looks of the glass article may cut some figure, but taking the industry as a whole I would put less emphasis on this factor than you.

The price of glass must be reduced so that the general users can continue to destroy the container. The minute the container, either from a utility standpoint or an artistic standpoint, comes into repeated use for one sort or another, then you open the door wide for substitutes.

Mechanical Devices

I have already remarked about the first paragraph, and would say that if your ideas come true, it will be years hence before one central plant ships batch material to the entire industry.

Your paragraph on Furnaces we agree with 100%.

Your last paragraph on Packing, generally speaking, we can concur in.

Conclusions

I suppose you mean that the glass container industry will be absorbed and known hereafter as the "Container Industry".

[fols. 61164-61166] I do not know whether the foregoing remarks will mean anything to you or be any help. I have written them somewhat under pressure, for every day this week licensees of ours have been visiting us, and I have not had the time to give your report the quiet and mature consideration that it justifies, so take it for what it is worth—just be sure and leave my name out of the picture.

I look forward to next week Thursday when we can have a further discussion in regard to the points on which we do not thoroughly agree. I venture to say, however, that nobody else has made as intelligent a regime of the future as you have.

Sincerely yours, —— ——, President.

FGS-C.

[fol. 61167] GOVERNMENT EXHIBIT No. 1681

In re Stock Holdings, Individual or Fiduciary, of Individual Defendants in Glass Manufacturing or Glass Machine Manufacturing Companies other than the Companies in which the Holder is an Officer or Director:

	Number of Shares
Alanson B. Houghton, individually, Hartford-Empire Company	65,488
Amory Houghton, individually, also director, Hartford-Empire Company	500
Arthur A. Houghton, Jr., individually, also director, Hartford-Empire Company	35,763
Glen W. Cole, individually	0
William H. Curtiss, individually	0
James L. Peden, individually	0
Paul W. Jenkins, individually	0
William C. Decker, individually	0
Alanson B. Houghton, Amory Houghton and Arthur A. Houghton, Jr. as Trustees for Gratia H. Rinehart, II, under Will of Arthur A. Houghton, Hartford-Empire Company	17,631
Alanson B. Houghton, Amory Houghton and Arthur A. Houghton, Jr. as Trustees for Patricia Rinehart under Will of Arthur A. Houghton, Hartford-Empire Company	17,631

Eugene C. Sullivan, individually	0
George D. Macbeth, individually	0
George B. Hollister, individually	0
Arthur L. Day, individually, Hartford-Empire Company	20,900
Hazel-Atlas Company	50

[fol. 61168] GOVERNMENT EXHIBIT No. 1682

Empire Machine Company

Stockholders as of Nov. 1, 1940

Amory Houghton	1,000
Alanson B. Houghton	31,500
Arthur L. Day	10,000
Arthur A. Houghton, Jr.	17,500
Alexander D. Falck	6,500
Alan W. Hawley	1
Estate of Charles E. Githler	999
Joseph N. Pfeiffer, surviving trustee for Frederick J. Githler	2,000
Joseph N. Pfeiffer, surviving trustee for Josephine B. Githler	2,000
Alanson B. Houghton, Amory Houghton & Arthur A. Houghton, Jr. trustees for Gratia H. Rinehart	12,000
Alanson B. Houghton, Amory Houghton & Arthur A. Houghton, Jr., trustees for Gratia H. Rinehart, under Sec. XI, par 1 A of Will of Arthur A. Houghton	5,500
Estate of William Sinclaire	5,000
Alexander D. Falck, Jr. & James Rathbone Falck & Alexander D. Falck, trustees for Elizabeth Falck	2,000
Alexander D. Falck, Jr., & James Rathbone Falck & Alexander D. Falck, trustees for James Rathbone Falck	2,000
Alexander D. Falck, Jr. & James Rathbone Falck & Alexander D. Falck, trustees for Alexander D. Falck, Jr.	2,000
	100,000

[fol. 61169]

GOVERNMENT EXHIBIT No. 1683

Net Income of Corning Glass Works and Affiliated Companies

1920 to 1939

	Corning Glass Works	Corning Fibre Box Corp.	Ridge Glass Corp.	Corhart Refractories Company	Steuben Glass, Inc.	American Blank Company	Corning Realty Corp.	Pittsburgh-Corning Corp.
1920	$1,561,893							
1921	882,669							
1922	1,613,603							
1923	1,900,962							
1924	1,795,625	$9,797						
1925	1,909,977	33,505						
1926	2,613,255	43,172						
1927	2,440,196	49,389	$99,945*					
1928	3,094,128	44,473	314,695*	$47,380*				
1929	4,742,483	35,351	185,488*	77,848				
1930	1,944,742	5,870*	243,091*	221,749				
1931	1,667,633	7,448	137,910*	72,367				
1932	809,977	8,362*	246,547*	39,847				
1933	1,655,512	63,914	50,222*	129,558				
1934	2,101,548	44,818	29,523*	201,983	$28,852*			
1935	2,697,113	47,549	52,025*	337,351	12,952	$391,006		
1936	3,126,984	63,644	63,294	217,126	6,827	456,032	$23,782*	
1937	2,704,454	64,247	60,333	322,696	11,852	541,910	1,081*	$3,314*
1938	1,368,743	79,901	8,195	117,814	39,358*	479,683	1,358*	76,550*
1939	2,522,706	71,753	38,797	212,047	4,412	599,654	1,919*	47,695

* Indicates figures circled in red in copy.

[fol. 61170] GOVERNMENT EXHIBIT No. 1684

Empire Machine Company

Statement of Profit & Loss for
Jan. 1, 1920–Dec. 31, 1937

Year	*Profit*	*Loss*
1920	$ 16,444.00	
1921		36,688.00
1922		88,224.00
1923	11,187.00	
1924	13,587.00	
1925	16,352.00	
1926	123,616.00	
1927	115,859.00	
1928	157,567.00	
1929	133,043.00	
1930	528,793.00	
1931	304,548.00	
1932	156,279.00	
1933	224,490.00	
1934	409,201.00	
1935	450,625.00	
1936	556,679.00	
1937	889,054.00	

[fol. 61171] GOVERNMENT EXHIBIT No. 1690

"Exhibit 23"

Austin, Texas, July 12, 1937.

Proposal

Mrs. Ed R. Harrell, Austin, Texas.

Dear Mrs. Harrell:

The Liberty Glass Company of Sapulpa, Oklahoma, is informed that you are the owner of a majority of the stock in the Knape-Coleman Glass Company of Santa Anna, Texas, and that you are desirous that that Company dispose of its assets.

On behalf of the Liberty Glass Company of Sapulpa, Oklahoma, I make you the following proposition for the purchase of all the physical assets of said Company, including the milk bottle molds, name plates, patent rights, trade marks, trade name, contracts, orders, records and goodwill of said Company, pertaining to the business in which said Company is engaged, which is especially the milk bottle business, including any and all real estate or other property of any nature belonging to said Company. The real estate belonging to said Company and situated in Coleman County in the State of Texas, is described as follows, to-wit:

All that certain lot, tract or parcel of land, lying and being situated in the Town of Santa Anna, Coleman County, Texas, known and described as a part of the old town of Santa Anna, Texas, as the same appears from plat thereof, recorded in Vol. J, Page 424, Coleman County Deed Records, here referred to and made a part hereof, meted and bounded as follows: BEGINNING at the Southeast Corner of said old town tract, as appears from the plat aforesaid, same being 80 ft. south of the southeast corner of Block No. 16, and in the south line of street; Thence North 330 ft. to Northeast corner of said Block No. 16; Thence west with north line of Blocks 16, 15 and 14 and across intervening streets, 910 ft. to northwest corner of Block No. 14; Thence south 330 ft. with west line of Block 14, and across street to corner 80 ft. south of southwest corner of Block No. 14; Thence east paralleling 80 ft. south of Blocks Nos. 14, 15, and 16 a distance of 910 ft. to place of beginning; save and excepting, however, the southwest quarter of Block No. Fifteen (15) and the southwest one-fourth of Block No. Sixteen (16) which are not conveyed, [fol. 61172] it being the purpose and intent of this instrument to convey all of Block No. Fourteen (14) and the north half of the southeast quarter of Blocks Nos. 15 and 16 of said old town of Santa Anna, Texas.

The personal property belonging to said Company and situated in the County of Coleman and State of Texas, is described as follows, to-wit:

1 T. L. Smith No. 11 Batch Mixer.
1 Pr. Howe Platform Scales.
1 Bristol pressure gauge Model #41.

1 Mercury Gauge.
2 Teeple Bottling Machines.
1 #2 Marvel Hack Saw, Belt Drive.
3 Air Tanks.
1 Ingersol Band Air Compressor 14 x 10 head.
1 #10 Sturavant B.F. Blower.
2 50 Horse Power motors complete with starting boxes and switches.
2 Lynch L.H. Bottle Machines.
1 Superior Iorn Lathe complete with iron shafts, pulleys, etc.
1 18" x 10'—3 Step Cone, double back geared Lodge & Shipley Lathe with chuck and taper attachment.
1 5 horse power motor.
2 1 horse power motors complete-restate starting box.
3 ¾ Horse Power Motors.
1 International time recording clock.
1 Electric Clock.
1 Frigidaire Complete with motor.
1 Hand Drill Press.
2 50 Feet Lengths 1½" water hose complete with couplers and nozzles.
2 Automatic annealing Lehrs.
1 #51 S.P. 1½" x 12" valley Electric Grinder with Wheels.
6 Glass Buggies.
1 2" Gas regulator.
10 Sets iron glass bottle molds and blanks.
1 Blacksmith shop complete.
2 Iron vises.
1 Wm. J. Miller Milk bottle machine Model P-C complete with 3 sets of molds.
1 20" Champion Drill Press with Chuck.
1 28" Single Pulley Drive Rockford Shaper with motor.
1 100 Ton Melting Furnace, complete.

Plant Equipment

1 Welding outfit.
1 Lot casting equipment, mould shop equipment & Plunger castings.
1 Set drills for drilling machine.
5 fire extinguishers.
1 lot feeder clay parts (40).
1 Lot clay orifices (85).

1 Lot name-plate castings.
1 Brown pyrometer with couplings.
1 220 V 60 Cy. 50 H.P. Type 5033, starting box for fan.
1 endless belt conveyor.
3 Wheelbarrows.
3 hand trucks.
4 shovels.
2 "Exact Weight" counter-balance scales.
[fol. 61173] 2 50 ft. hose lengths.
1 Sharp-Schurtz fluoroscope.
1 K.T. 1½ H.P.G.E. Motor, 3 P. 220 V 60 Cy.
2 M.T. 1 H.P.G.E. Motor 3 P. 220 V 60 cy.
1200 R.P.M. with C.R. 1038 Cutouts and C.R.
1263 Rheostat with 2½ Dic. Pulley (no bases).
1 R.S.A. ½ H.P.G.E. Motor 220/110 V. Single Phase 1800 R.P.M. Motor only.
1 No. 40325 400 Amp. Switch.
3-400 Amp Knife Fuses.
12-400 Amp. Fuse Links.
2 1144 Switches.
6 200 Amp. Knife Fuses.
12 200 Amp. Fuse Links.
150 Ft. of 1/0 Stranded Cable and 1 Conductor.
1800 R.P.M. Base and Pulley and C.R. 1038 Cutout.
1 K.T. 5 H.P.G.E. Motor 3 P 220 V with Base and Pulley and 1038 Cutout.
1 S.A. ¼ H.P.G.E. Motor 110-220 V. Single Phase 1800 R.P.M. Model 26135.

Office Equipment

3 Chairs.
2 Desks.
1 Remington-Rand Typewriter.
1 Underwood Typewriter.
1 Burroughs Adding Machine.
1 Filing Cabinet.

(It being understood that there may be minor replacements of personal property that differ from that described above.)

If you can deliver to the Liberty Glass Company, clear title to all of the property above described and other assets of said Company on or before sixty (60) days from this date, together with a release from each of the stockholders

and those persons claiming to be stockholders in said Company, releasing any right, title or interest that they have in and to the assets, property, patents, trade marks, or other things of value, belonging to said Company, and a statement from Mrs. Ed. R. Harrell, C. B. Hoopes and C. L. Peterson that they will not engage in the business of manufacture and sale thereof of glass containers such as milk bottles, cheese jars, fruit juice bottles with milk bottle finish and caps, for a period of five (5) years any place in the United States, this agreement to be a part of the consideration of the sale of said property, then the Liberty Glass Company will pay for the same as follows:

[fol. 61174] We consider the physical assets of the plant worth approximately Ten Thousand ($10,000.00) Dollars and the goodwill, trade marks, trade names and business of said Company approximately Forty Thousand ($40,000.00) Dollars. Therefore, we will pay a total sum of Fifty Thousand ($50,000.00) Dollars to be paid as follows, to-wit:

We will pay the sum of Thirty Thousand ($30,000.00) Dollars upon delivery to us of good and sufficient title to all of the equipment, real estate, machinery, patents, trade marks, etc., as above set out, upon the approval of title thereto by ourselves and our attorney, it being understood that we are to be the sole judges of the sufficiency of the title, the balance of Twenty Thousand ($20,000.00) Dollars to be paid in four equal annual installments due and payable one, two, three and four years after the final transfer of said property and the approval of the title of the same as above set out, said payments to be evidenced by four promissory notes of even date due and payable in one, two three and four years, signed by the Liberty Glass Company, payable at the American National Bank of Austin, Texas, and bearing interest at the rate of five per cent (5%) per annum from date, said notes to be endorsed by George F. Collins personally. The name of the payees to be furnished by Mrs. Ed. R. Harrell.

As evidence of our good faith, we agree to deliver to the Santa Anna National Bank of Santa Anna, Texas, a certified check in the sum of Five Thousand ($5,000.00) Dollars to be attached to a copy of this proposal and to be held by said Bank until this sale is finally consummated and then deliver back to us, provided that if said sale is not consummated within sixty days from date hereto then the certi-

fied check shall be delivered by said Bank to the Liberty Glass Company without any agreement from you or any other person.

It is further understood that you will deliver to us Abstract of Title to the real estate above described and will [fol. 61175] deliver true and correct lists of all persons, firms or corporations which have heretofore purchased milk bottles or other wares from said Knape-Coleman Glass Company and that you and the corporation will use your best efforts in good faith to maintain the goodwill heretofore established by said corporation.

It is understood that you will diligently and in good faith, attempt to secure good and sufficient assignments to all of the property and assets as above set out as soon as possible after the execution of this contract.

It is further understood that we shall have the option to purchase any milk bottles or other wares that may be on hand at the time this sale is finally consummated, at the cost of manufacture and raw materials at invoice price at Sapulpa, Oklahoma.

It is further understood that this proposal is executed in triplicate, one to be retained by ourselves, the other to be delivered to you and the third to be deposited with the certified check above mentioned with the Santa Anna National Bank, Santa Anna, Texas.

Respectfully submitted, Liberty Glass Company
(Signed) By Geo. F. Collins, President.

I, Mrs. Ed R. Harrell, do hereby state that I have read the above foregoing proposal and know the contents thereof; that the terms of the same are satisfactory to me personally, and I agree to use my best efforts in good faith to see that the sale is consummated pursuant to the terms thereof, and within the time stated. I also agree not to use this proposal in any way to get a higher price from any other bidder for said property.

(Signed) Mrs. Ed R. Harrell.

I, D. L. Pieratt, state that I am Cashier of the Santa Anna National Bank of Santa Anna, Texas, and agree to hold the above and foregoing proposal together with the certified [fol. 61176] check for Five Thousand ($5000.00) Dollars attached thereto until the sale of the property is consummated, at which time I agree to deliver said check to the

Liberty Glass Company and if for any reason the sale is not consummated, in sixty days, from the date of said proposal I agree to deliver the said certified check to the Liberty Glass Company.

(Signed) D. L. Pieratt, Cashier of the Santa Anna National Bank, Santa Anna, Texas.

[fol. 61177] GOVERNMENT EXHIBIT No. 1691

"Exhibit 15"

Receipt of Purchase Price

We, the undersigned, W. F. Gidley, C. L. Peterson and Mrs. Ed. R. Harrell, President, Vice President and General Manager, and principal stockholders, respectively, of the Knape-Coleman Glass Company, do hereby acknowledge receipt, on behalf of said company, of the sum of Fifty Thousand ($50,000.00) Dollars, Thirty Thousand ($30,000.00) Dollars in cash, and Twenty Thousand ($20,000.00) Dollars in notes, in full payment for all the property of the Knape-Coleman Glass Company, and agreement not to engage in the glass business for 5 years from date hereof, as itemized in "Exhibit A", (pages 1 and 2), attached hereto and made a part hereof.

Witness our hands this 20th day of September, 1937.

(Signed) F. F. Gidley, President. C. L. Peterson, Vice President and General Manager. Mrs. Ed. R. Harrell, Principal Stockholder.

[fol. 61178]

Plant Equipment and Personal Property

1	T. L. Smith No. 11 Batch Mixer	$800.00
1	Pr. Howe Platform Scales	70.00
1	Bristol pressure gauge Model #41	8.00
1	Mercury gauge	1.00
2	Teeple bottling machines	150.00
1	#2 Marvel hack saw, belt drive	50.00
3	Air tanks	30.00
1	Ingersol band air compressor 14 x 10 head	400.00
1	#10 Sturavant B. F. Blower	170.00
2	50 horse power motors complete with starting boxes & switches.	200.00
2	Lynch L. H. bottle machines	1,500.00
1	Superior iron lathe complete with iron shafts, pulleys, etc.	400.00
1	18" x 10'—3 step cone, double back geared Lodge & Shipley lathe with chuck and taper attachment	750.00
1	5 horse power motor	25.00
2	1 horse power motors complete—restate starting box	30.00
3	¾ horse power motors	30.00
1	International time recording clock	75.00
1	Electric clock	7.00
1	Frigidaire complete with motor	35.00
1	Hand drill press	4.00
2	50 ft. lengths 1½" water hose complete with couplers & nozzles.	10.00

Plant Equipment and Personal Property—Continued

2	Automatic annealing lehrs	$400.00
1	#51 SP 1½" x 12" valley electric grinder with wheels	20.00
6	Glass buggies	12.00
1	2" gas regulator	20.00
10	Sets iron glass bottle molds and blanks	750.00
1	Black smith shop complete	40.00
2	Iron vises	10.00
1	Wm. J. Miller milk bottle machine model P-C complete with 3 sets of molds	170.00
1	20" Champion drill press with chuck	150.00
1	28" Single pulley drive Rockford shaper with motor	240.00
1	100 ton melting furnace, complete	2,000.00
1	Welding outfit	20.00
1	Lot casting equipment, mould shop equipment & plunger castings	7.00
1	Set drills for drilling machine	2.00
5	Fire extinguishers	5.00
1	Lot feeder clay parts (40)	2.00
1	Lot clay orifices (85)	2.00
1	Lot name-plate castings	1.00
1	Brown pyrometer with couplings	75.00
1	220 V 60 Cy. 50 H.P. Type 5033, starting box for fan	15.00
1	Endless belt conveyor	10.00
3	Wheelbarrows	6.00
3	Hand trucks	6.00
4	Shovels	1.00
2	"Exact Weight" counter-balance scales	50.00
2	50 ft. hose lengths	4.00
[fol. 61179]		
1	Sharp-Schurtz fluroscope	15.00
1	K.T. 1½ H.P.G.E. motor 3P 220V 60 Cy	7.00
2	M.T. 1 H.P.G.E. motor 3 P 220V 60 Cy 1200 R.P.M. with C.R. 1038 cutouts and C.R. 1263 Rheostat with 2½ Dic. pulley (no base)	20.00
1	R.S.A. ½ H.P.G.E. motor 220/110V single phase 1800 R.P.M. motor only	8.00
1	#40325 400 Amp. switch	1.00
3	400 amp. knife fuses	1.00
12	400 Amp. fuse links	1.00
2	1144 switches	2.00
6	200 Amp. knife fuses	1.00
12	200 Amp. fuse links	1.00
	150 ft. 1/0 stranded cable and 1 conductor	1.00
	1800 R.P.M. base and pulley and C.R. 1038 cutout	5.00
1	K.T. 5 H.P. G.E. motor 3 P. 220V with base and pulley and 1038 Cutout	15.00
1	S.A. ¼ H.P. G.E. motor 110–220 V. single phase 1800 R.P.M. model 26135	5.00
3	Chairs	6.00
2	Desks	20.00
1	Underwood Typewriter	15.00
1	Remington-Rand Typewriter	15.00
1	Burroughs Adding machine	65.00
1	Filing Cabinet	15.00

Real Estate

All of Block No. 14—Town of Santa Ana, Texas	250.00
Buildings on above block No. 14	500.00
¾ of Block No. 15—Town of Santa Anna, Texas	150.00
¾ of Block No. 16—Town of Santa Anna, Texas	100.00

Agreement

Agreement not to engage in the glass business for 5 years	40,000.00
Total	$50,000.00

[fol. 61180] GOVERNMENT EXHIBIT No. 1693

Excerpt from Diary of Herbert Knox Smith

February 25, 1921

At N. Y. Falck gave A.M and part of P.M. to the H.E. work on the following points.

1. We agreed to make manufacture and sale of glass by H.E. depend on a 65% vote of stock, or unanimous Directors' vote, mainly to allay alarms of Corning men.

2. We agreed to insert in Agr. for formation provision as to employees treasury stock that contracts for sale must be for 5 yrs. and revocable unless with unanimous vote of Board.

3. We explained our objections to two signatures on checks and Falck agreed.

4. Agreed to insert in Pre-Emption agreement chance for H.E. stockholders to sell stock inside of his group, without giving option.

5. The important change was Falck's plan for not transferring Empire stock to H.E., but only its assets, omitting A.B. stock and A.B. contract and G.E. Empire foreign contract.

The essence of this is that Corning may want hereafter to change the 3 party (A B) contract and to do this must control Empire stock. They propose, in such case, to have Corning guarantee to H-E the same return that would be received under the A. B. contract at its now changed rates, also under the foreign contract.

Falck explained at length his error in telling us that Empire had a royalty income of $80,000. Said he would stand by this, so that Corning would guarantee this to H-E, if earned. But he wants to be in position in the future to change the AB contract.

6. I objected to any plan that did not give Empire stock to H-E; we might give Corning power of atty to change AB contract, so long as our income is preserved. Left this to be reported to our people.

7. Dorsey & Falck reported on their talk today with G-E. G-E ready to pay production royalty 25-35¢ per Man feeders with minimum royalty of $25,000 per year for right to use as many feeders as they want. David F strongly in favor of this.

[fol. 61181] GOVERNMENT EXHIBIT No. 1694

Excerpt from Diary of Herbert Knox Smith

August 25, 1921

The above conclusions under August 24, were in part reached only on August 25; the discussion being continued over.

The next question was the vital one of the possibility of Corning coming into H-E J field by sub-licensing high quality (WD-C) glasses. It was agreed, first, that if sub-licensed with H-E machines, H-E gets full royalty.

Secondly, after much discussion, Falck and Dorsey stated it to be their feeling that H-E should be protected from any invasion of its J field by Corning's high quality glasses.

As a result, Falck finally said that if Corning wanted to sub-license the "ideal glass" to outside machinery in the J field, H-E's consent must first be gotten.

This, being entirely fair, was at once accepted by us.

The last question was as to right of Corning to assign—once generally in its entirety—the shop right in all its own glasses, [see p. 57 HKS draft Glass Contract of 8-6-21, and Dorsey's (71 p. 16, Sec 3 (a).)]

We pointed out that (a) this covers all Corning glasses, even those coming to H-E (b) a large combine, such as the Owens-Hazel-Ball (and possibly Illinois) now under negotiation, would cover so large a part of the industry that the assignment of a shop right to it would completely destroy the supposed exclusiveness of the license to H-E.

Dorsey and Falck agreed to this, and Falck said that he would make the same change here as under the WD-C question above, namely such assignment must have consent of HE.

This seemed to us to dispose of all the pending questions of any importance and to leave the going forward with the formation of H-E dependent simply on G-E's release of Empire as above suggested.

Left NY 7 P with GWS. Arr. H. 10:30 P.

[fol. 61182] GOVERNMENT EXHIBIT No. 1695

Excerpt from Diary of Herbert Knox Smith

December 14, 1922

1. Prepared H-E Pref. stock certifs for engineers and H.K.S. services for 1920 and 1921, 333 sh and sent them to Arkell for signature.

2. Discussed with Isaac Collins & F.G. the situation of Monongah Co.; desirability of keeping that business, etc. from going on the market in bankrupt sale. Collins will see Arkell. Collins thinks they won't last beyond July 1923.

3. Worked on details of issue of H-E common in exchange for H-F. Prepared draft of letter No. 2, issuing H-E stock to stockholders.

[fols. 61183-61184] GOVERNMENT EXHIBIT No. 1696

Excerpt from Diary of Herbert Knox Smith

July 24, 1924

All day at Belmont with F. G. E. W. Carter, Baker, Lloyd Williams & Hatch in re T.R. & B case; & Headley & T case.

Worked out fairly definite basis of offer re T.R. & B.

H & T case less definite. F. G. wrote out, with Baker memo for possible basis of agreement.

2. The relation of these two matters to the Sherman Law was referred to Williams & me, and we spent most of our time thereon.

I laid down the thesis that we might acquire from others patents dominating every glass feeder in the country, but if we did nothing more, merely combined patents, there was no breach of Sherman law. Williams was doubtful of this, and I said I was not sure but would use this thesis as our extreme working basis. He said that if it were correct, it would remove most of his difficulties.

Night at Belmont.

[fol. 61185] GOVERNMENT EXHIBIT No. 1698

Excerpt from Diary of Herbert Knox Smith

April 29, 1925

Arr. N. Y. 7 A. M. All AM with C. B. & W. Belknap, Carter, Brown & K. E. P. in re Hazel-Atlas. F. G. S. came in about noon.

Agreed to offer Hazel-Atlas a 2 yr. option; they to pay standard rates to H. E. on all machines and to be relieved of all minimum royalties on the Kearns-Gorsuch feeders & to receive a repayment from Owens of all so paid by H-A, except $75,000 p.a. They to have immunity during the 2 years & to refuse any aid or cooperation to Miller in suits.

H-E to install with H-Atlas 1 or 2 single feeders, without license fee, as demonstration feeders.

If H-A takes up the option, they are to pay full H-E standard royalties & license fees on all H-E feeders; and also on all other feeders, but on such other feeders are to receive a rebate sufficient to reduce the outside feeder rates to ¾ of H-E standard.

H-Atlas to either assign to H-E its feeder patent rights or to give H-E any exclusive (?) license under them.

2. W. B. Belknap said that he felt that Miller (both individually & as Miller Engr. Co.) could be bought & so disposed of as to make a small cash expenditure. He thought the actual assets considerable.

3. C. B. Belknap said he was preparing to offer for the whole T. R. & B. patent rights (domestic only?) $250,000 each to T. R. & B. free of income tax and $100,000 to Corbett.

That he rather expected us to go through in a few days.

[fols. 61186-61189] GOVERNMENT EXHIBIT No. 1699

Excerpt from Diary of Herbert Knox Smith

May 27, 1925

1. Conf. F. G. S.; Lynch & H. K. S.

Rough idea of proposed former combine was stated. Lynch gave statement of his condition. (See L-5-1). Not anxious to sell. Price would be, say, equal to profits he has made in last 5 or 6 yrs.; (or about $1,000,000 to $1,500,000 on that basis).

We told him, without giving names, of the danger of the W-T applns, and that we after careful investigation had insured ourselves. This seemed to impress him.

[fols. 61190-61191] GOVERNMENT EXHIBIT No. 1703

Excerpt from Diary of Herbert Knox Smith

August 3, 1929

1. R. D. B. back from Western trip. Outlined Knox-O'Neill status. He is opposed to deal.

2. Henry Carter came. Conf. Henry Carter, Peiler, Brown, Parham, Eldred & H. K. S. I outlined status and main factors in O'Neill matter.

I expressly pointed that in our proposed contract with Owens on this, I was deliberately restricting the definition of the OSM, and the partnership area, to language only sufficient to cover OSM as is, and as reasonably likely to be developed along its own line.

That as to any extension of the Owens-HE. partnership in suction, I felt that I had no authority, in the limited time, and the absence of F. G. S. and could not include it in this O'Neill deal.

Carter said he appreciated this. There were frank intimations from us that we were dabbling in the suction field. Carter spent the night of Aug. 3 at W. and we discussed the proposition further.

[fols. 61192-61193] GOVERNMENT EXHIBIT No. 1705

Excerpt from Diary of Herbert Knox Smith

October 8, 1929

All day with FGS & Henry Carter.

(1) Discussion of Three Rivers licenses. F. G. S. said he had discussed this with Owens beforehand and supposed that he had their consent.

Also that we had the right to license 3 Rivers, under Sec. 22, without consent.

(2) Long discussion of Owens' desire for right to make pressed tumblers.

F. G. S. described our past & present contract relations thereon; that Monongah had had a legal exclusive on pressed tumblers for P. N. fder & Twin Press, with a rather doubtful claim for like exclusive on HSF. I explained that legally I felt we had a 2 to 1 chance of withstanding this claim as to HSF.

FGS stated that when Turner took over Monongah we morally, tho not legally, committed ourselves to allowing him such exclusive as to HSF.

As to Hocking & Federal, they had asked for a formal grant of exclusive on hot mold tumblers; we had refused to put it in formal written shape but had given them pretty good grounds for feeling that they would retain such exclusive unless some strong new reason arose to change our views.

That Macbeth-Evans has the right, with consent of Monongah to make 90,000 gr. of tumblers per yr.

That Pacific coast has the right to make tumblers on 3 HSF.

In general that it would be

(a) Very disturbing to the industry and
(b) A thoroughly improper breach of good faith and business ethics if, as things now stand, we gave a tumbler right to Owens-Illinois.

(3) There was some discussion of the Knox-O'Neill machine.

(4) Mr. Carter outlined what he considered to be the still precarious position of HE on the patent suit. If the Cincinnati case were decided against us by Judge Hickenlooper, Judge Hough might readily overrule Jones, the Master, in the Columbus cases, and find against us. Shortly after Mr. Carter finished this, however, we received the word of a favorable decision in the Cincinnati case Nivison-Weisekopf.

This alters the whole situation—Carter regards it as the turning point; that now Hough is almost sure to follow the Master's decision & also this will strongly affect the Hazel-Atlas case.

In presence of Mr. Carter, FGS dictated letter to Whitall & Tatum, insisting on our offered contract of 1-12-29.

[fols. 61194-61195] GOVERNMENT EXHIBIT No. 1707

Excerpt from Diary of Herbert Knox Smith

January 21, 1930.

3. Jim Beatty here all P.M.

(a) He first criticized our failure to push the T. & R. applics to issue. F. G. explained the reasons for our hold-

ing these back as a second line, until we have tried out the Peiler patents, because if we brought out the T & R patents we might have a case of double patenting.

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[fol. 61196] GOVERNMENT EXHIBIT No. 1709

Excerpt from Diary of Herbert Knox Smith

November 30, 1931.

2. At 3 P.M. F. G. & I had talk with Wm. Levis & Ben Hazelton. Levis made some *extremely* important statements.

(a) Apparently he is now following a constructive policy of leadership & cooperation in prices, which, by means of quotas, is succeeding.

(b) McNash, of Hazel-Atlas, is impressed with this example of cooperation and apparently is ready to consider coming under HE license (Whatever the result of our Philadelphia case). He says, first that Ball Bros. must be brought in.

Second; that if we win the damages factor will be another obstacle. Thirdly, he thinks our whole royalty schedule should be reduced.

But, if Levis understood him rightly, he is prepared to consider working with us.

(c) Levis further said that the general policy should be to use HE as the development Co. for the whole group.

[fols. 61197-61204] GOVERNMENT EXHIBIT No. 1710

Memorandum to: Mr. Herbert Knox Smith

From: A. T. Safford, Jr.

Subject: Events Leading up to Owens-Hartford Contract of April 9, 1924

July 23, 1931.

The Owens-Hartford-Fairmont relations leading to the present contract commenced at the instigation of Mr. Ashcraft.

The first meeting was held December 16, 1921, at which Messrs. Owens, Libbey, Blair and Biggers represented the Owens Company, and Messrs. Bartlett, F. Goodwin Smith and Herbert Smith represented Hartford-Fairmont Company. Mr. Herbert Smith and Mr. Blair were appointed a sub-committee to work out the details of some plan for the co-operation of the two Companies.

This plan, in brief, contemplated the organization of a holding company which would take over all the patent rights of both Companies relating to the gob feeder and to formers, including the existing licensing businesses and the invention organizations of the two Companies. The stock of the holding company was to be divided fifty-fifty and Owens also wanted to have the royalties to Hartford's licensees increased.

The next conference took place among Blair and Biggers on the one hand and Mr. F. Goodwin Smith and Mr. Herbert Knox Smith on the other hand, where Hartford pointed out the fundamental difficulty of securing the consent of their licensees to an increase in royalties. The plan of Blair elaborated at that time was unacceptable to Hartford as it meant coercing its licensees.

At a third interview W. Owens was present and suggested a compromise plan. The reaction of the Hartford representatives being——

"We made no particular comment on this surprising plan"—(Page 4—Memorandum of interview 3/3/22)

and Hartford refused the proposition of Mr. Owens.

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[fol. 61205] GOVERNMENT EXHIBIT No. 1712

Excerpts from Diary of Herbert Knox Smith

August 26, 1929.

3. Told Pease I could not formulate standard forms for refusing licenses. Gave reasons for refusing Magnolia.

[fol. 61206] GOVERNMENT EXHIBIT No. 1713

Board of Directors of the Glass Container Association

1923-1924: G. S. Bacon, F. E. Baldwin, E. B. Ball, J. D. Biggers, H. J. Booth (resigned October 16, 1923—succeeded by J. H. Graham), A. F. Brady, R. T. Cunningham, F. F. Ferguson, A. H. Grier, P. I. Heuisler, C. J. Root, I. R. Stewart, R. E. Walker, Geo. W. Yost.

1924-1925: G. S. Bacon, F. E. Baldwin, J. D. Biggers, A. F. Brady, T. L. Briggs, R. T. Cunningham, P. C. Doyle, F. F. Ferguson, J. H. Graham, A. H. Grier, P. I. Heuisler, C. J. Root, I. R. Stewart, R. E. Walker, Geo. W. Yost (resigned April 29, 1925).

1925-1926: G. S. Bacon, F. E. Baldwin, J. D. Biggers (resigned February 18, 1926—succeeded by James Morrison), A. F. Brady (resigned June 12, 1925—succeeded by W. H. McClure), T. L. Briggs, R. T. Cunningham, P. C. Doyle, F. F. Ferguson, E. F. Glacken, J. H. Graham, A. H. Grier, P. I. Heuisler, C. J. Root, I. R. Stewart, R. E. Walker.

1926-1927: G. S. Bacon, F. E. Baldwin, T. L. Briggs, R. T. Cunningham (resigned May 5, 1927), P. C. Doyle, F. F. Ferguson, E. F. Glacken, J. H. Graham, A. H. Grier (resigned May, 1927), P. I. Heuisler, W. H. McClure, James Morrison, C. J. Root, I. R. Stewart, R. E. Walker.

1927-1928: G. S. Bacon, P. C. Doyle, F. F. Ferguson, E. F. Glacken, J. H. Graham, T. F. Hart, Jr. (deceased June, 1927—succeeded by F. H. May), P. I. Heuisler, J. W. King, F. L. Lloyd, H. C. Mandeville, W. H. McClure, James Morrison, C. J. Root, I. R. Stewart, R. E. Walker.

1928-1929: G. S. Bacon, P. C. Doyle (resigned March 15, 1929—accepted April 30, 1929), F. F. Ferguson, E. F. Glacken, J. H. Graham, P. I. Heuisler, J. W. King, F. L. Lloyd, H. C. Mandeville, F. H. May (resigned November 2, 1928), W. H. McClure, James Morrison, C. J. Root, I. R. Stewart, R. E. Walker.

1929-1930: G. S. Bacon, F. F. Ferguson (resigned September 10, 1929—succeeded by L. S. Cunningham—resigned May 1, 1930), E. F. Glacken, J. H. Graham, P. I. Heuisler, J. W. King, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, James Morrison, C. J. Root, I. R. Stewart, R. E. Walker.

[fol. 61207] 1930-1931: G. S. Bacon, E. F. Glacken, J. H. Graham, P. I. Heuisler, J. W. King, F. L. Lloyd, H. L. Lons-

dale, H. C. Mandeville, W. H. McClure, James Morrison, H. G. Phillipps, A. F. Reed, C. J. Root (resigned June 9, 1930—succeeded by L. S. Cunningham), I. R. Stewart, R. E. Walker

1931-1932: G. S. Bacon, L. S. Cunningham, E. F. Glacken (resigned May 7, 1931—succeeded by C. J. Root), J. H. Graham, P. I. Heuisler, J. W. King, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, James Morrison (resigned March 25, 1932), H. G. Phillipps, A. F. Reed, I. R. Stewart, R. E. Walker.

1932-1933: G. S. Bacon, L. S. Cunningham (resigned Sept. 21, 1932), W. E. Garvey, J. H. Graham (deceased 1933), P. I. Heuisler, J. W. King, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, H. G. Phillipps, A. F. Reed, C. J. Root, I. R. Stewart, R. E. Walker.

1933-1934: G. S. Bacon, G. A. Ball, W. E. Garvey, P. I. Heuisler, J. W. King, G. F. Lang, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, H. G. Phillipps, J. H. Rau, Jr., A. F. Reed, I. R. Stewart, R. E. Walker.

1934-1935: G. S. Bacon, G. A. Ball, W. E. Garvey, P. I. Heuisler, C. D. King, J. W. King, G. F. Lang, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, H. G. Phillipps, J. H. Rau, Jr., A. F. Reed, I. R. Stewart.

1935-1936: G. S. Bacon, G. A. Ball, P. I. Heuisler, C. D. King, J. W. King, G. F. Lang, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, H. G. Phillipps, J. H. Rau, Jr., A. F. Reed, I. R. Stewart, R. R. Underwood.

1936-1937: G. S. Bacon, P. I. Heuisler (deceased—succeeded by J. S. Heuisler), C. D. King, J. W. King (deceased April 29, 1937), G. F. Lang, F. L. Lloyd, H. L. Lonsdale, H. C. Mandeville, W. H. McClure, F. J. Petty, H. G. Phillipps, J. H. Rau, Jr., A. F. Reed, I. R. Stewart, R. R. Underwood.

1937-1938: G. S. Bacon, R. H. Barnard, J. S. Heuisler, C. D. King, B. H. Koons, G. L. Lang, F. L. Lloyd, H. L. Lonsdale (deceased October 18, 1937—succeeded by W. H. Lownsberry), I. R. Macdonald, H. C. Mandeville, W. H. McClure, F. J. Petty, J. H. Rau, Jr., A. F. Reed, I. R. Stewart, R. R. Underwood.

[fol. 61208] 1938-1939: G. S. Bacon (resigned May 22, 1939—succeeded by F. H. May), R. H. Barnard, J. S. Heuisler, C. D. King, G. L. Lang, F. L. Lloyd, W. H. Lownsberry, I. R. Macdonald, H. C. Mandeville, W. H. McClure, R. C. McCrystal, F. J. Petty, J. H. Rau, Jr., A. F. Reed, I. R.

Stewart (resigned May 25, 1938—succeeded by R. L. Warren), R. R. Underwood.

1939-1940: C. R. Avery, R. H. Barnard, J. S. Heuisler, C. D. King, G. L. Lang, F. L. Lloyd, I. R. Macdonald, H. C. Mandeville, Baird Marble, F. H. May, W. H. McClure, F. J. Petty, J. H. Rau, Jr., A. F. Reed (resigned February 9, 1940), R. R. Underwood, R. L. Warren.

1940-1941: C. R. Avery, R. H. Barnard, J. S. Heuisler, C. D. King, G. F. Lang, F. L. Lloyd, I. R. Macdonald, H. C. Mandeville, F. H. May, W. H. McClure, O. C. Noble, F. J. Petty, J. H. Rau, Jr., R. R. Underwood, H. S. Wade, R. L. Warren.

1941-1942: C. R. Avery, R. H. Barnard, J. C. Feagley, J. S. Heuisler, C. D. King, G. F. Lang, F. L. Lloyd, I. R. Macdonald, H. C. Mandeville, W. H. McClure, O. C. Noble, F. J. Petty, J. H. Rau, R. R. Underwood, H. S. Wade, R. L. Warren.

Honorary Directors—George W. Yost—Elected May 1, 1925—deceased. F. E. Baldwin—Elected May 6, 1927—deceased. F. F. Ferguson—Upon his resignation as a Director on September 10, 1929, Mr. Ferguson was invited by the Board to remain as an Honorary Director. L. S. Cunningham—Elected September 21, 1932.

[fol. 61209] GOVERNMENT EXHIBIT No. 1714

Membership of Statistical Committee of the Glass Container Association

1925-1926: J. S. Algeo, F. H. May, J. H. McNerney, F. E. Reed, A. W. Sherwood, R. R. Underwood.

1926-1927: J. S. Algeo, F. H. May, J. H. McNerney, F. E. Reed, A. W. Sherwood, R. R. Underwood.

1927-1928: J. S. Algeo, F. H. May, J. H. McNerney, F. E. Reed, A. W. Sherwood, R. R. Underwood.

In March 1928 replaced by W. B. Boshart, H. D. Hartley, W. E. Levis, J. H. McNash, H. C. Mandeville, W. H. B. Whitall.

1928-1929: W. B. Boshart, H. D. Hartley, W. E. Levis, J. H. McNash, H. C. Mandeville, W. H. B. Whitall.

1929-1930: W. B. Boshart, H. D. Hartley, W. E. Levis, J. H. McNash, H. C. Mandeville, W. H. B. Whitall.

1930-1931: H. D. Hartley (withdrew December 1930), W. E. Levis, H. C. Mandeville, J. H. McNash, W. H. B. Whitall.

1931-1932: I. J. Collins, W. E. Garvey, W. E. Levis, H. C. Mandeville, J. H. McNash, G. F. Rieman, W. H. B. Whitall.

1932-1933: I. J. Collins, W. E. Garvey, W. E. Levis, H. C. Mandeville, J. H. McNash, G. F. Rieman, W. H. B. Whitall.

1933-1934: G. A. Ball, I. J. Collins, W. E. Garvey, W. E. Levis, H. C. Mandeville, J. H. McNash, G. F. Rieman, W. H. B. Whitall.

1934-1935: Statistical Committee inactive from October 1933 to May 1935.

1935-1936: G. A. Ball, I. J. Collins, W. E. Levis, H. C. Mandeville. J. H. McNash, G. F. Rieman, W. H. B. Whitall. [fol. 61210] Membership of Statistical Committee of the Glass Container Association, page 2.

1936-1937: G. A. Ball, I. J. Collins, W. E. Levis, H. C. Mandeville, J. H. McNash, G. F. Rieman, W. H. B. Whitall.

1937-1938: G. A. Ball, I. J. Collins, W. E. Levis, H. C. Mandeville, J. H. McNash, G. F. Rieman, W. H. B. Whitall.

1938-1939: G. A. Ball, I. J. Collins, W. E. Levis, H. C. Mandeville, J. H. McNash, G. F. Rieman, W. H. B. Whitall.

1939-1940: G. A. Ball, I. J. Collins, W. E. Levis, H. C. Mandeville, J. H. McNash.

1940-1941: E. Arthur Ball, I. J. Collins, W. E. Levis, H. C. Mandeville, J. H. McNash.

1941-1942: E. Arthur Ball, I. J. Collins, W. E. Levis, H. C. Mandeville, J. H. McNash.

[fols. 61211-61212] GOVERNMENT EXHIBIT No. 1715

Executive Committee of Board of Directors of the Glass Container Association

1924-1925: President, F. F. Ferguson, ex officio, G. S. Bacon, F. E. Baldwin, J. D. Biggers, P. I. Heuisler, I. R. Stewart.

1925-1926: President, F. F. Ferguson, ex officio, G. S. Bacon, F. E. Baldwin, J. D. Biggers (withdrew—James Morrison appointed), P. I. Heuisler, I. R. Stewart.

1926-1927: President, F. F. Ferguson, ex officio, G. S. Bacon, F. E. Baldwin, P. I. Heuisler, James Morrison, I. R. Stewart.

1927-1928: President, F. F. Ferguson, ex officio, G. S. Bacon, E. F. Glacken, P. I. Heuisler, James Morrison, I. R. Stewart.

1928-1929: President, P. I. Heuisler, ex officio, G. S. Bacon, F. F. Ferguson, E. F. Glacken, W. H. McClure, James Morrison, I. R. Stewart.

1929-1930: President, P. I. Heuisler, ex officio, G. S. Bacon, E. F. Glacken, W. H. McClure, James Morrison, C. J. Root, I. R. Stewart.

There is no record of the appointment of an Executive Committee subsequent to June 24, 1929.

GOVERNMENT EXHIBIT No. 1716

[fol. 61213] Certificate of Incorporation

and

By-Laws

of

Glass Container Association of America

[fol. 61214] Certificate of Incorporation

of

Glass Container Association of America

Under the Laws of Delaware

1. The name of this corporation is Glass Container Association of America.

2. The location of its principal office in the State of Delaware is in the City of Dover, County of Kent, 311 South State Street. The name of the agent in charge thereof is James M. Satterfield, 311 South State Street.

3. The nature of the business and the objects and purposes proposed to be transacted by this corporation are to do any and all of the things herein mentioned, as fully and to the same extent as natural persons might or could do, both within the State of Delaware and without such state, and in any part of the world, to-wit:

To carry on laboratory and research work for the improvement of glass containers and for the perfection of processing and preserving foods, beverages, drugs and other commodities in glass containers, and for the perfection

of the various processes of filling, capping, sterilizing, pasteurizing, packing, shipping and selling the same;

To educate the public and the users of containers of all kinds to a better appreciation of the advantages of glass containers;

To improve, by co-operative effort, the standard of quality of glass containers and of the commodities preserved or contained therein;

To eliminate unjust discrimination against glass containers;

To encourage all uniform legislation and regulations affecting the glass industry and the use and handling of glass;

To identify and protect by Letters Patent trade-marks, labels or otherwise, the products of the members hereof;

To acquire, by application or otherwise, and to hold, use and dispose of, and to grant licenses or other rights in respect of, and in any manner deal with, rights, inventions, improvements and processes covered by Letters Patent or copyrights of the United States and all other countries and jurisdictions, or not so covered, and to develop the same, and to carry on any business which may be deemed, directly or indirectly, to promote the purposes herein stated;

[fol. 61215] To acquire, hold, dispose of, mortgage, pledge or guarantee the shares of the capital stock of, or any securities or evidences of indebtedness created by, any other corporation organized under the laws of this state, or otherwise, and to vote on and exercise all the privileges of ownership thereof;

To promote in general the use of glass as a container and to do all things necessary or incidental thereto;

To acquire, hold, sell, lease, encumber, or otherwise use or dispose of, and deal in, such real and personal property, and to carry on any business in connection therewith, manufacturing or otherwise, both within and without the state of Delaware, as shall be deemed necessary or proper to carry out the objects herein set forth and not contrary to the laws of this state;

The foregoing clauses shall be construed both as objects and powers and shall not be held to limit or restrict in any manner the powers of this corporation. It shall have all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter mentioned.

4. This corporation is formed not for profit and shall not have any capital stock.

As amended—April 4, 1934.

5. Corporations, partnerships, associations, or individuals, engaged in the manufacture, sale or use of glass containers, or allied articles, such as caps, corks, closures, packages, labels and machinery or appliances used in connection therewith, shall be eligible to membership in this corporation and shall become members upon making application to the Secretary in writing and agreement to abide by the By-Laws of this Corporation.

6. The names and places of residence of each of the incorporators are as follows:

Name	Residence
John F. Perry	Bridgeton, New Jersey.
Frank F. Ferguson	Alton, Illinois.
H. H. Gritzan, Jr.	Baltimore, Maryland.
C. O. Stewart	Zanesville, Ohio.
J. D. Biggers	Toledo, Ohio.
Geo. Yost	Bellaire, Ohio.

7. This corporation shall have perpetual existence.

8. The private property of the members or officers of this corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

[fol. 61216] 9. The business and affairs of the corporation shall be conducted by the Board of Directors, Executive Committee and officers, as prescribed by the By-laws.

10. The Board of Directors shall have power, if the By-laws so provide, and in accordance therewith, to designate two or more of their number to constitute an Executive Committee, which committee shall, as provided in such By-laws, have and exercise any or all of the powers of the Board of Directors in the management and direction of the business of this corporation, and have power to authorize the seal of this corporation to be affixed to all papers and documents which may require it.

11. The members, the Board of Directors and the Executive Committee shall have power, if the By-laws so provide, to hold their respective meetings either within or without

the state of Delaware, and to establish and maintain one or more offices of the corporation, in addition to the principal office in Delaware, and to keep the books of the corporation, subject to the provisions of the statute, outside the state of Delaware, at such places as may be from time to time designated by them, or any of them.

12. The Board of Directors, but not the Executive Committee, by vote of a majority of the members of the Board, and with the consent in writing of such majority, may dispose in any manner of the entire property of this corporation.

13. This corporation may, by its By-laws, confer powers, additional to the foregoing, upon the Board of Directors, in addition to the powers and authorities expressly conferred upon them by statute.

14. The By-laws shall determine whether and to what extent the accounts and books of this corporation, or any of them, shall be open to the inspection of the members, and no member shall have any right of inspecting any account or book or document of this corporation, except as conferred by law, or by the By-laws, or by Resolution of the members or Board of Directors.

15. The number of directors of the corporation and the manner of their election shall be fixed from time to time by the By-laws, but the number, if fixed at more than three, shall be some multiple of three.

16. This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the statute, and all rights conferred on members herein are granted subject to this reservation.

17. The Board of Directors may make By-laws, and, from time to time, may alter, amend or repeal any By-laws that are made by it, or by the members.

[fol. 61217] We, the undersigned, being each of the original incorporators hereinbefore named, for the purpose of forming a corporation to do business within and without the state of Delaware, and in pursuance of an act of the Legislature of the State of Delaware, entitled: "An Act providing a General Corporation Law," approved 1899, and the acts,

amendatory thereof and supplemental thereto, do make and file this certificate, hereby declaring and certifying that the facts therein stated are true, and accordingly have hereunto set our hands and seals this twenty-second day of July, 1919.

John F. Perry (seal). Frank F. Ferguson (seal). H. H. Gritzan, Jr. (seal). C. O. Stewart (seal). J. D. Biggers (seal). Geo. Yost (seal).

In the presence of: Lloyd T. Williams. R. W. Gundrum.

State of New Jersey,
County of Atlantic, ss.

Be It Remembered that on this twenty-second day of July, 1919, personally came before me, the undersigned, a Notary Public in and for said County and State, John F. Perry, Frank F. Ferguson, H. H. Gritzan, Jr., C. O. Stewart, J. D. Biggers and Geo. Yost, parties to the foregoing Certificate of Incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year last above written.

Laura E. Cloud, *Notary Public.* My commission expires January 29, 1921.

Laura E. Cloud, Notary Public, New Jersey.

[fol. 61218] By-Laws of Glass Container Association of America

1. Name of Association: The name of this corporation is Glass Container Association of America.

2. Offices: The principal office of the corporation in Delaware shall be in the City of Dover, and the resident agent in charge thereof shall be James M. Satterfield. The corporation may also have other offices, both within and without the State of Delaware, and at such other places, as the Board of Directors may, from time to time, designate. The books and records of the corporation, except as otherwise required by statute, may be kept at any of said offices, either within or without the State of Delaware, as the Board of Directors may, from time to time, determine.

3. Members' Meetings: All meetings of the members shall be held at such place or places as the members or the Board of Directors may, from time to time, determine, either within or without the State of Delaware.

As amended—August 25, 1930.

4. Annual Meeting of Members: The annual meeting of the members shall be held on the Thursday following the first Friday in May of each year at 10:00 A. M.; if such day be a holiday then on the following Thursday at the same hour.

5. Special Meetings of Members: Special meetings of the members may be called by resolution of the Board of Directors, or by the President, and must be called by the President, upon demand, in writing, of not less than five (5) directors, or upon demand, in writing, of not less than ten (10) members. Special meetings shall be held at the place or places designated by general or special order of the Board of Directors and, in the absence of such order, then at the last place at which the Board of Directors held its meeting.

6. Notice of Meetings: Notice required to be given under the provisions of these By-laws to any director, officer, committee-man or member shall not be construed to require or mean personal service; but may be given in writing by depositing the same in a post-office or letter box in a post-paid, sealed wrapper addressed to such director, officer, committee-man or member at such address as appears on the books of the corporation, or by telegram, prepaid, delivered to a telegraph company, addressed as above pro- [fol. 61219] vided. Such notice, however, may be given personally by the person required by the By-laws or by order of the Directors to give such notice. Notice shall be given to each member of meetings of the members not less than ten (10) days prior to such meeting, and to each director not less than three (3) days prior to each special meeting of directors, and to each executive committee-man not less than three (3) days prior to each special meeting of the executive committee. All notices shall state the time and place of the meetings mentioned therein and all notices of special meetings shall contain a statement of the business to be transacted thereat and no other business shall be transacted than that mentioned in such notice.

7. Waiver of Notice: Any member, officer, director or committee-man may waive, in writing, any notice required to be given under these By-laws, whether before or after the time stated therein.

8. List of Members at Meetings: A complete list of members entitled to vote, arranged in alphabetical order, shall be prepared by the Secretary and shall be open to the examination of any member, at the place of the election, during the whole time of election.

9. Directors, Powers: The property and business of this corporation shall be managed and controlled by its Board of Directors, which shall, subject to the limitations contained in the statutes, the certificate of incorporation and these By-laws, and any amendments thereto, have and exercise all such powers as may be exercised by this corporation.

10. Directors, Number and Election: The Board of Directors shall consist of fifteen (15) persons who shall be elected by ballot by the members of the Association, at the annual meeting, or at a special meeting called for that purpose. Each member shall have one vote which may be cast in person or by proxy. Cumulative voting shall be permitted.

11. Directors, Classification: At the first election the directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, each class consisting of one-third of the whole number of the Board of Directors. The directors of the first class shall be elected to serve until the annual meeting in 1920. The directors of the second class shall be elected to serve until the annual meeting in 1921. The directors of the third class shall be elected to serve until the annual meeting in 1922. At each annual meeting, beginning in 1920, the successors to the class of directors whose terms shall expire in such years, respectively, shall be elected to hold office for the term of three years, so that the term of office of one class of directors shall expire in each year. All directors shall serve until their successors are elected and qualified.

[fol. 61220] 12. Directors, Vacancies: In case of any vacancy in any class of directors, through death, resigna-

tion, disqualification or other cause, the Board of Directors may elect, by ballot, a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant and until the election and qualification of his successor.

13. Directors, Meetings: The Board of Directors shall have power to hold meetings, both regular and special, outside the State of Delaware, at such places as may, from time to time, be designated by the By-laws, or by resolution of the Board.

14. Directors, Regular Meetings: After each annual election of directors the Board of Directors, including the newly elected members, shall meet for the purpose of organization, the election of officers and the transaction of any other business, at such place and time as shall be fixed by the members at such annual meeting, and, if a quorum of the directors be present at such place and time, no prior notice of such meeting shall be required to be given to the directors.

15. Directors, Special Meetings: Special meetings may be called by the President and shall be called by the President on the written request of five (5) directors.

16. Directors, Quorum: At all meetings of the Board of Directors a majority shall constitute a quorum; but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

17. Directors, Order of Business: Unless otherwise changed by the Board of Directors the order of business at directors' meetings shall be as follows:

1. Reading of minutes of previous meeting.
2. Reports of officers.
3. Reports of committees.
4. Unfinished business.
5. Miscellaneous business.
6. New business.

18. Executive Committee: The Board of Directors may choose five (5) of its own members, who, with the President, who shall be a member ex officio, shall constitute the Executive Committee. The Executive Committee shall have and exercise all of the powers of the Board of Direc-

tors in the management of the business and affairs of this corporation, between the meetings of the Board of Directors, excepting the authority to adopt, alter or amend By-laws for the government of the members and Board of [fol. 61221] Directors, to suspend or expel members or to fill vacancies in their own membership, or in the Board of Directors, which vacancies shall be filled by the Board of Directors. It shall have the power to authorize the seal of the corporation to be affixed to all papers which may require it. The President of the corporation shall be the Chairman of the Executive Committee and the Secretary of the corporation shall be the Secretary of the Executive Committee. The Executive Committee shall meet from time to time and at such places, both within and without the State of Delaware, as it shall, from time to time, determine. It shall fix its own rules of procedure. A majority of its membership shall constitute a quorum, but the affirmative vote of a majority of the whole committee shall be necessary to determine any question. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors at each meeting of the Board.

19. Other Committees: The Board of Directors and the Executive Committee may appoint, or authorize the President to appoint, any other committees, which committees shall have and may exercise such powers as shall be conferred or authorized by the By-laws, or by resolution of the Board or the Executive Committee.

20. Compensation and Expenses of Directors and Committeemen: Directors, officers and members of the Executive Committee and other committees shall receive their actual expenses properly incurred in the performance of their duties and in attendance at each regular and special meeting of the Board or of such committees, and shall receive such compensation as the members may, from time to time, prescribe.

As amended—June 9, 1930.

21. Officers: The officers of this corporation shall be a President, first Vice-President, Second Vice-President, Secretary and Treasurer. One person may hold any two of such offices, except that the President shall not also be a Vice-President. The President and Vice-Presidents shall

be elected from among the Directors and by the Board of Directors. The officers above named with the exception of the Secretary and Treasurer shall be elected to serve until the next annual meeting and until their successors are elected and qualified. The Board of Directors shall also appoint or employ a Business Manager, a Secretary and/or Treasurer, a Director of Research, and other employees, for such terms and upon such conditions as the Board may determine.

22. President: The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members, of the Board of Directors and of the Executive Committee; sign the records thereof; [fol. 61222] have general supervision and management, subject to the Board of Directors and the Executive Committee, of the business and affairs of the corporation; shall execute all contracts and agreements, unless the Board of Directors shall otherwise provide, and shall perform, generally, all the duties usually performed by Presidents of like corporations and such further and other duties as may, from time to time, be required of him by the members, or the Board of Directors, or the Executive Committee.

23. Vice-Presidents: The First Vice-President shall perform all the duties of the President, in case of the absence or disability of the latter. If both the President and First Vice-President are absent, or unable to perform their duties, the Second Vice-President shall serve, and, in his absence or inability to perform his duties, the members or Directors or Executive Committee, as the case may be, may appoint a President pro tem.

24. Secretary: The Secretary shall keep the minutes of all the meetings of the members, the Board of Directors and the Executive Committee, and shall make a proper record of the same, which shall be attested by him. He shall give the notices required by these By-laws, unless the Board of Directors or the Executive Committee shall otherwise direct, and shall perform such other duties as may be required of him by the members, by the Board of Directors, or by the Executive Committee. He shall be the custodian of the seal of the corporation and, when authorized by the Board of Directors or the Executive Committee, shall affix the same to any instrument requiring the same, and shall attest it by his signature.

25. Treasurer: The Treasurer shall receive and have in charge all moneys and securities belonging to the corporation and shall deposit the same in the name and to the credit of the corporation in such banks or other depositories as may be designated by the Board of Directors or the Executive Committee. He shall disburse the funds of the corporation pursuant to the orders of the Board of Directors, the Executive Committee and the President. He shall keep an accurate account of the moneys, securities and other valuables received and disbursed by him and shall, at the annual meeting, and oftener when required either by the Board of Directors, the Executive Committee or the President, present a detailed statement of his receipts and disbursements and of all his transactions, together with a statement of the assets and liabilities of the corporation, and shall generally perform such other and further duties as may be required of him by the members, by the Directors, by the Executive Committee, or by the President. He shall give to the corporation a bond, in such amount and in such form and with such securities as the Board of Directors may determine, for the faithful performance of the duties of his office. The amount of such bond may, from [fol. 61223] time to time, be changed by the Board or the Executive Committee. The Treasurer shall have power to sign all checks, drafts or orders for the payment of money, out of funds in his possession, in the usual course of business. He shall not sign any promissory note in the name of the company without the specific authority of the Board of Directors or the Executive Committee.

26. Business Manager: The Business Manager shall, subject to the control and direction of the members, the Board of Directors, the Executive Committee and the President, have active charge of the business affairs of the corporation, including its publicity and educational work, and shall generally perform such duties as may be required of him by the members, by the Board, the Executive Committee or the President.

27. Director of Research: The Director of Research shall conduct the experimental work of the corporation, subject to the direction and control of the members, the Board of Directors, the Executive Committee and the President, and shall make such reports and conduct his experimental work

in such way as they, or any of them, shall, from time to time, require.

As amended—December 9, 1926.

28. Other Officers: The Board of Directors shall have the power to appoint such other officers as it may deem necessary or advisable, and to prescribe their qualifications, powers and duties. In case of the absence or disability of any officer of the corporation, or for any other reason deemed sufficient by the Board, the Board of Directors may delegate his powers or duties to any other officer or to any director for the time being.

29. Fiscal Year: The fiscal year of the corporation shall begin on the first day of January of each year.

As amended—December 9, 1926 and April 4, 1934.

30. Qualifications of Members: Corporations, partnerships, associations or individuals engaged in the manufacture, sale or use of glass containers or allied articles, such as caps, corks, closures, packages, labels and machinery, appliances or materials used in connection therewith, shall be eligible to membership in this corporation, and shall become members upon application therefor, and upon agreement to abide by the By-laws. The time of expiration of all contracts for membership and renewals shall be May 10th, 1928, and every three years thereafter. All contracts for membership and renewals shall be for three years, except those applications or renewals made before May 10th, 1928, and those made between the expiration of membership periods, which applications and renewals shall be for such unexpired portion of the three-year period as shall then exist.

[fol. 61224] 31. Suspension and Expulsion of Members: Any member may be suspended or expelled from the corporation by the Board of Directors for failure to pay any assessment, or for any wilful breach of the By-laws of this corporation, or for conduct unbecoming a member. Before any member is suspended or expelled it shall be notified, in writing, by mail, at its last known address, of the charges against it and of the time and place of the meeting of the Board of Directors at which such charges shall be considered, at least ten (10) days before such meeting. Such member shall have the right to appear in person and

by counsel for its defense. Such charges may be sustained and such member suspended or expelled by the affirmative vote of not less than two-thirds of the full number of the Board.

As amended—December 9, 1926.

32. Assessments: For the purpose of providing for the adequate support and maintenance of the corporation, each member engaged in the manufacture or sale of glass containers shall be subject to an annual assessment of one-tenth of one per cent (1/10 of 1% of its total net sales of glass containers during the preceding calendar year, payable in quarterly installments; and each member engaged in the manufacture or sale of allied articles, as defined in Section 30 hereof, shall be subject to an annual assessment of one-tenth of one per cent (1/10 of 1%) of its total net sales of allied articles to the glass container industry, or to users of glass containers, during the preceding calendar year, payable in quarterly installments: provided that there shall be no discrimination or variation in the rate of percentage of assessment between the two classes of members for any annual period, and that the rate of percentage of assessment for each class of members for each annual period shall be the same—except in such cases as may in the judgment of Board of Directors require special consideration. Provided further, that the annual assessment levied upon any member shall never be less than twenty-five (25.00) dollars.

33. Voting by Members: Each member at every members' meeting irrespective of the amount of its invested capital, or of its assessments, shall have one vote upon any question, which vote may be cast in person or by proxy, subject, however, to the right of cumulative voting for directors. No member shall be permitted to vote who is in arrears for the payment of any assessment, or is under sentence of suspension. A corporation, partnership or association member shall be deemed personally present when there is present at any meeting any officer of such corporation, partnership or association member, duly authorized by it to act in its behalf. The President, Vice-President, Secretary and Treasurer, in the order named, of any such corporation, partnership or association member, present at any members' meeting shall be deemed authorized to represent the member of which he is such officer, unless such member has

duly authorized some other person to represent it by proper written proxy.

[fol. 61225] 34. Proxies: Any member may vote at any members' meeting by proxy, duly authorized in writing, signed by such member.

35. Inspection of Books and Records: The books, accounts and records of the corporation shall be open to inspection by the members at such times only and subject to such regulations and restrictions as the Board of Directors may from time to time, determine, and no member shall have any right to inspect any books or records of the corporation, except as conferred by law or by these By-laws or by resolution of the members or the Board of Directors.

36. Certificate of Membership: Members shall be entitled to a certificate of membership from the corporation, but no such certificate nor any rights of membership shall be transferable or assignable.

37. Seal: The seal of the corporation shall be circular in form and shall have inscribed thereon, "Glass Container Association of America, Incorporated, Delaware, 1919."

38. Directors May Make By-laws: The Board of Directors may adopt By-laws for the government of the Board and of the members, and such By-laws so adopted shall have all the authority and validity of By-laws adopted by the members. The Board of Directors may amend or repeal By-laws adopted by the members, and the members may amend or repeal By-Laws adopted by the Board of Directors.

39. Members Quorum: At all meetings of the members a majority, present in person or by proxy, shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

40. Order of Business at Members' Meeting: Unless changed by a majority vote, the order of business at all members' meetings shall be as follows:

1. Reading of the minutes of the preceding meeting.
2. Reading of reports and statements.
3. Unfinished business.
4. Election of directors.
5. New and miscellaneous business.

41. Amendments: These By-laws and any By-laws adopted by the Board of Directors may be amended or repealed by the written assent thereto of not less than a majority of the members of this corporation or by a majority vote of the members present at any annual meeting, or any special meeting called for that purpose, or by the Board of Directors at any regular meeting, or at any special meeting called for that purpose, by vote of two-thirds of the full Board.

[fols. 61226-61227] GOVERNMENT EXHIBIT No. 1717

June 1, 1935.

Mr. Victor L. Hall, Glass Container Association of America,
19 West 44th St., New York, N. Y.

DEAR VIC:

Thank you very much for your letter of the 28th, regarding bulletin sent to the glass companies and telegram sent to the Cap companies in reference to the Code.

I have talked to all the members here and they feel that they want to continue with the wage and hour provisions just as if the Code was in effect. Ben Koons was not back from his trip but I talked with Mr. Moore, who said that undoubtedly they would continue, although the final decision would be up to Mr. Koons.

In this connection, of course, it is understood that there will be exceptions to the mold makers as previously contemplated.

In connection with Schedule "C" of the Code, the West Coast Group has been operating practically continuously and as some of the members still want to operate continuously, they feel that they should all work on the seven-day basis.

I am sending a letter to each member of the West Coast Group, telling them of the opinion of the members and also suggesting that all of the other principles established by the Code, including the trade practices, should be voluntarily continued. This, of course, includes the pro-rationing of business, and I hope that we can take this matter up and arrive at some sort of adjustment on Glass Containers, Inc.'s position, so that we can really put this principle into operation.

In my letter to the members I am also urging that they ask their salesmen to refrain from getting into conversations about the Code and stating that the salesmen can well take the position that certain fair trade practices have been established in the industry and that their company cannot afford to break these down.

Yours very truly, R. E. Kimball.

REK CMc.

[fol. 61228] GOVERNMENT EXHIBIT No. 1719

September 30, 1935.

Mr. Victor L. Hall, Glass Container Assn of America, 19 W 44th St., New York, N. Y.

DEAR VIC:

In connection with giving out the statistics for 1934 and 1935 to go with the survey which we gave to the members covering the years 1928-1933, inclusive, I would like to get your advice on a little matter.

Our original survey covered six companies. Later we got the figures for McLaughlin Glass Company for the years 1932-3-4- and part of 1935. We also had the figures for General Glass Company for a few months in the early part of 1934.

In our survey which we gave to the members we only included the six companies. Now the question comes up,—shall we give the members the figures for 1934 to go with the survey which will include McLaughlin and General Glass or merely for the six companies?

In turning this over in my own mind I feel that it would be nice to just give them the figures for the six companies and thus keep all the figures comparable. At the same time, if we give them the figures for the six companies for 1934, they can take the total shipment figures and deduct the total shipment figure on the report of "Comparative Statistics" and the difference will be the shipments for Northwestern Glass. Of course, we are going to have this thing probably come up again next year or always as long as we have Northwestern Glass omitted from the comparative statistics.

I would appreciate your advice in this matter.

Yours very truly, —— ——.

REK:B.

[fol. 61229] GOVERNMENT EXHIBIT No. 1720

Glass Container Association of America
19 West 44th Street, New York

See what you Buy—Buy in Glass

October 7, 1935.

Mr. R. E. Kimball, Glass Container Association, 14 Montgomery St., San Francisco, Calif.

DEAR BOB:

No doubt the six companies would prefer having a survey of the 1934 figures covering only the six companies. As you say this would give them comparable figures with the previous survey and in addition would cover the total volume for the main section of the group. My inclination would be to give them the figures for the six companies.

It seems to me that the fact that Northwestern is not willing to come in on the allocation set up at this time gives us a logical reason for handling the matter that way. While it would be possible by the calculation to arrive at Northwestern's figures this is not the same as actually disclosing the figures.

Very truly yours, V. L. H.

VLHall:EW.

[fol. 61230] GOVERNMENT EXHIBIT No. 1721

Minutes of the
Meeting of the Glass Container Association
West Coast Group Held at
Clift Hotel—San Francisco

December 20, 1935.

The following were present:

Owens Illinois Pacific Coast Co., Mr. J. Preston Levis, Mr. W. I. Cole, Mr. W. N. Hughes.

Hazel Atlas Glass Company, Mr. R. J. Miedel, Mr. Fred L. Bower.

Latchford Glass Company, W. J. Latchford, Jr., W. Baird Marble, Mr. Dettner.

Glass Containers, Inc., Mr. R. H. Dallas, Mr. Moye Stephens.

Maywood Glass Company, Mr. B. H. Koons.
From the Association, Mr. R. E. Kimball.

A. The minutes of the previous meeting, held at the Hotel Biltmore, Los Angeles, November 14th, were read and approved.

B. Mr. W. I. Cole spoke about the situation in the northwest in reference to Stubby Bottles. He suggested that the sales force of each company advocate and press the sale of the Stubby type bottle as adopted as standard by the Pacific Coast manufacturers. This type is the last word in cubical measurements and is as light weight as is practical.

[fol. 61231] I. After some discussion concerning the probable amount of shipments for the industry during 1936, it was decided that a forecast of 2,200,000 gross should be used on the report of Comparative Statistics.

R. E. Kimball.

December 24, 1935.

[fol. 61232] GOVERNMENT EXHIBIT No. 1722

Minutes of the Meeting of the Glass Container Association
West Coast Group Held at
Ambassador Hotel, L. A.

January 21, 1937.

The following were present:

Owens Illinois Pacific Coast Co., Mr. J. Preston Levis, Mr. W. I. Cole, Mr. W. N. Hughes, Mr. J. B. Foringer

Hazel Atlas Glass Company, Mr. R. J. Miedel, Mr. Fred L. Bower, Mr. W. R. Bennett.

Latchford Glass Company, Mr. W. Baird Marble, Mr. W. J. Latchford, Jr.

Glass Containers, Inc., Mr. V. C. Hobbs, Mr. R. C. McCrystal, Mr. R. H. Dallas.

Maywood Glass Company, Mr. B. H. Koons, Mr. J. C. Moore.

Northwestern Glass Company, No Representative.

From the Association, Mr. R. E. Kimball.

(A) The minutes of the previous meeting held at the Hotel Clift, San Francisco, were read and approved.

(B) The request made of Maywood Glass Company by Mr. Brenner of California Maple Syrup Company to sub-

scribe to an advertising campaign to eliminate second-hand bottles was discussed. It was decided that no funds would be appropriated for this purpose.

[fol. 61233] (G) The members discussed business conditions for 1937, and estimated that the West Coast Group will ship 2,500,000 gross of bottles during 1937.

R. E. Kimball, Secretary.

San Francisco, Calif., February 8, 1937.

[fol. 61234] GOVERNMENT EXHIBIT No. 1723

Minutes of the Meeting of the
Glass Container Association of America
Held at Hotel Del Monte
Del Monte, Calif.

June 17-18, 1937.

The following were present:

Owens Illinois Pacific Coast Co., Mr. J. Preston Levis, Mr. W. I. Cole, Mr. W. N. Hughes, Mr. J. B. Foringer

Hazel Atlas Glass Company, Mr R. J. Miedel, Mr. F. L. Bower.

Latchford Glass Company, Mr. W. Baird Marble, Mr. W. J. Latchford, Jr., Mr. W. Simkins, Mr. J. Dettner.

Glass Containers, Inc., Mr. E. J. Farina, Mr. R. C. McCrystal, Mr. R. H. Dallas.

Maywood Glass Company, No Representative.

Northwestern Glass Company, No Representative.

From the Association, Mr. R. E. Kimball.

A. The minutes of the previous meeting, held at Arrowhead Springs Hotel, were read and approved as published.

B. Mr. Kimball made a report of his trip to the Annual Meeting of the National Association. The principal items reported on were:

1. At a meeting of the Board of Directors, following the industry meeting, the Directors voted to increase the number of Directors by one and that this additional Director should be designated by the West Coast manufacturers. Mr. B. H. Koons of Maywood Glass Company was then elected to office of Director.

[fol. 61235] GOVERNMENT EXHIBIT No. 1724

August 26, 1937.

Mr. Victor L. Hall, Glass Container Association of America,
19 West 44th St., New York.

DEAR VIC:

At one of our group meetings, the members were discussing the Robinson Patman Act and the necessity of having costs to substantiate our differentials in prices.

One of the members asked our attorney, Mr. Lachmund, if the industry out here on the Coast had a cost which they could substantiate, would that be capable of being used by any of the companies instead of individual company costs. He thought this could be used.

Mr. McCrystal of Glass Containers, Inc. said Hartford Empire had a man in Los Angeles at that time who was working on costs and that he had quite a good deal of cost information from the east. I was asked to get in touch with this man to see if he had any information we could use.

Later Mr. Powers of the Hartford Empire Company came to our office in San Francisco and we went over the information which he had. Most of this, as you undoubtedly know, pertained to manufacturing ratios. I asked him if he had any information which we could use in substantiating our price differentials under the Robinson Patman Act regarding items which were placed in stock where the only cost differential would be in shipping and selling expenses. We also wanted information on the costs of ware with private molds, shipped in carload lots versus the costs of ware in smaller shipments by truck. In other words, we want to be able to substantiate our differentials between quantity, carload and less than carload prices. Mr. Powers had no information which would be complete enough to give us what we desired but said he would take it up with his people in Hartford who were carrying the study considerably further.

Recently I had a letter from Mr. Eastman of the Hartford Empire Co., referring to the question I had asked Mr. Powers and he wrote in part as follows:

[fols. 61236-61237] "Unfortunately we have made no complete studies which would give us such information. However, we are now working with Vic Hall here in the east on a cost revision program which will include studies pertinent

to the Robinson Patman Act. In view of the fact that this study will be much more complete than any information we could send you at the moment, we assume that you would prefer to await it's completion.

"Presumably you would receive the data from your New York office as soon as it is available.

"Meanwhile we are advising Mr. Hall of your requests and regret we have nothing worthwhile to send you at the moment."

I thought I would give you the story so you would know what Mr. Eastman was referring to and when you have any information that would be helpful to the group out here, I am sure they will appreciate receiving it.

Yours very truly, R. E. Kimball.

REK CMc

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[fol. 61238] GOVERNMENT EXHIBIT No. 1726

Glass Container Association of America
19 West 44th Street, New York

See what you Buy—Buy in Glass

December 27, 1937.

Mr. R. E. Kimball, 525 Market Street, San Francisco, Calif.

DEAR BOB:

I have your letter of December 22nd with further reference to the change in the showing of the West Coast figures on our general statistical report. I discussed this matter with Ack when he replied to your previous letter of December 17th.

I am in thorough accord with the views which Ack expressed. To combine the West Coast classes with those East of the Rockies would make it impossible for us to determine how each company was doing in relation to their forecast without keeping two sets of figures which, in addition to being a lot of work, would be confusing to the industry. Of course if this were done there would be nothing gained anyway because it would be possible for any company to total the two general line figures we would have to

give them and the difference would represent the West Coast total.

I am wondering if this request by your members is influenced by the fact that for the last couple of months your group has gone ahead while the rest of the industry shows a fair reduction as compared with a year ago. If so I don't believe they should worry too much about this because of the fact that everyone realizes that a change in trends of business comes first here in the east and the West Coast group usually follows several months later. In other words, we feel that in the next month or so your volume will probably be in line with the trend here. We honestly believe that any change we made in the reporting of the figures would only serve to call the attention of the Eastern companies to the West Coast figures. The Eastern companies would undoubtedly figure the reason behind the change.

Yours very truly, Victor L. Hall.

VLH/M

[fol. 61239] GOVERNMENT EXHIBIT No. 1727

August 16, 1938.

Mr. Ralph J. Marsh, Northwestern Glass Company, 5801 East Marginal Way, Seattle, Wash.

DEAR RALPH:

I, too, am sorry that I missed seeing you here in San Francisco and again when I was in Seattle. There have been so many things coming along this year that it did not seem practical to postpone my trip to Seattle, inasmuch as I had to be there on some other business. However, I expect to be up your way again this fall and hope to catch you in Seattle when I come.

Thanks for the information on Faultless Food Co. I realized there was something that we missed and thought we would wait until you got back to see what it was.

From the records, you have been doing a fine job, and I know you must be very happy about it.

With best wishes,

Yours very truly, R. E. Kimball.

(Here follow 3 photolithographs, side folios 61240-61242)

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GOVERNMENT EXHIBIT No. 1728

NORTHWESTERN GLASS COMPANY

MANUFACTURERS OF GLASS CONTAINERS

5501 EAST MARGINAL WAY

SEATTLE, WASHINGTON

August 11, 1938

Mr. R. E. Kimball
Glass Container Association
525 Market Street
San Francisco, California

Dear Bob:

I was very sorry to be away when you were in Seattle and also that you were not in San Francisco when I was there. I hope that both you and Mrs. Kimball can get up this way sometime so that Mrs. Marsh and I may have an opportunity of seeing you here.

Mr. Campbell tells me that you were auditing the account of the Faultless Foods Company to see whether they were entitled to the quantity price on Pectin Bottles. I believe the figures which you drew off showed that they had taken 19,706 cases. There was, however, an additional invoice in December on which the number of cartons have not been entered on our ledger sheet which you were checking against. This invoice was #5641-A for 10,483 cartons and you will thus see that by purchasing and paying for these bottles at this time, which they did, it made a total of somewhat over 30,000 considering them. Mr. Musson discovered this omission after you had left and I am sorry that he did not note it while you were here to call it to your attention.

If there is further information you need regarding this, we will be pleased to furnish the same.

Yours very truly,

NORTHWESTERN GLASS COMPANY

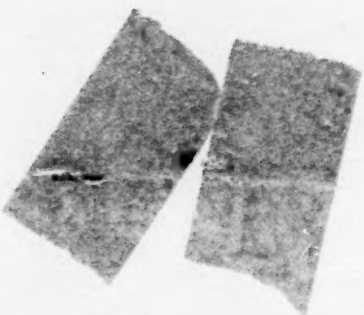
Ralph J. Marsh

Ralph J. Marsh

61240

RJM:k

MAP IS TOO LARGE TO BE FILMED



[fol. 61243] GOVERNMENT EXHIBIT NO. 1731

9-26-41 Utah Schedule, Supp. 186, P&P, Price List, 12 pp. W. F. Baker.

9-25-41 Utah Price Book, Supp. 185, N. Mouth & Fruit Juice, 16 pp. F. Blanc. Gal. & ½ gal. jug packers.

9-22-41 Gen. Price Schedule, Supp. 517, 4 pp. J. E. Humphrey, Worcestershire & gal. & ½ gal. jug shaped packers with handles.

1-22-41 Gen. Price Book, Supp. 469, 8 pp. Cy Donaldson, Milks.

9-19-41 Gen. Bulletin, Corrugated Case Conservation Program, W. F. Baker, 3 pp.

9-15-41 Gen. Price Schedule, Supp. 516. 4 pp. F. Blanc, Water Bottles.

10-1-41 Idaho-Montana Schedule, Supp. 93, 1 page, W. F. Baker.

8-29-41 Gen. Price Schedule, Supp. No. —, J. E. Humphrey, Beverage Bottles, 5 pp.

8-29-41 Utah Price Book, Supp. 184, 4 pp. F. Blanc, Catsup, Chili & Tomato (Method of Determining Price, Effective 6-5-40.

9-5-41 Gen. Price Schedule, Supp. 513, 12 pp. F. Blanc, Ammonia & Blueing, Sodium Hydrochlorite, Cit. of Mag. Wide mouths.

9-9-41 F. Blanc, Gen. Price Schedule, Sup. 514, 6 pp. (8-25-41) (9-5-41), Food Container Div.

Eff. 7-25-41 Utah Price Book, Supp. #183, 4 pp. (6-20-41) F. Blanc, Food Container Div.

7-25-41 Gen. Price Schedule, Supp. 504, 4 pp. 6-4-41, F. Blanc, Food Container Div.

8-26-41 Gen. Price Schedule, Supp. 509, 4 pp., 12-3-40, J. E. Humphrey, Beverage Div.

8-26-41 Gen. Price Schedule, Supp. 510, 14 pp., F. Blanc, Food Container Div., 4-1-41.

8-27-41 Supp. #512, 29 pp., F. Blanc, Gen. Price Schedule, Food Container Div.

[fol. 61244] 8-25-41 Gen. Price Schedule, Supp. No. 505, 37 pp. F. Blanc, Food Container Div.

8-25-41 Gen. Price Schedule, Supp. No. 506, 16 pp. W. F. Baker, P&P Div.

8-25-41 Gen. Price Schedule, Supp. No. 508, 16 pp. F. Blanc, Food Container Div.

8-25-41 Gen. Price Schedule, Supp. No. 507, 12 pp. J. E. Humphrey, Liquor Ware.

No date, Gen. Bulletin, 1 page (W. N. Hughes).

7-14-41 Gen. Price Book, Supp. 502, 8 pp., J. E. Humphrey, Beverage Div.

7-2-41 Gen. Price Book, Supp. 499, 8 pp., F. Blanc, Food Container Div.

6-24-41 Utah Price Book, Supp. 179, 4 pp., W. F. Baker, P&P Div.

6-27-41 Utah Price Book, Supp. 180, 1 page, F. Blanc, Food Container Div.

7-2-41 Utah Price Book, Supp. 181, 8 pp., F. Blanc, Food Container Div., Wide Mouth.

6-18-41 Utah Price Book, Supp. 177, 16 pp., F. Blanc, N. Mouth Food & Fruit Juice Bottles.

6-20-41 Utah Price Book, Supp. 178, 30 pp., F. Blanc, Food Container Div.

6-6-41 General Price Book, Supp. 493, 15 pp., F. Blanc, Food Container Div.

5-15-41 Utah Price Book, Supp. 174, 6 pp., F. Blanc, Food Container Div.

5-15-41 General Price Book, Supp. 488, 10 pp., F. Blanc, F. C. Div.

5-13-41 Gen. Price Book, Supp. 487, 7 pp., J. E. Humphrey, Bev. Div.

6-12-41 Utah Price Book, Supp. 176, 12 pp., W. F. Baker, P&P Div.

6-9-41 General Price Book, Supp. 495, 4 pp., W. F. Baker, Crates, Printing Dies, New Mold Equipment.

[fol. 61245] 6-10-41 Gen. Price Book, Supp. 496, 6 pp., J. E. Humphrey, Liquor Div.

6-6-41 Gen. Price Book, Food Container Div., 37 pp., F. Blanc, Complete New Wide Mouth Price Schedule.

6-5-41 Gen. Price Book, Supp. 492, 12 pp., W. F. Baker, P&P Div.

6-4-41 Gen. Price List, Supp. 491, 10 pp., J. E. Humphrey, Beverage Div.

6-2-41 Utah Price Book, Supp. 174, 4 pp., F. Blanc, Food Container Division.

6-3-41 Gen. Price Book, Supp. 490, 4 pp., Cy. Donaldson, Dairy Division.

6-2-41 Gen. Price Book, Supp. 489, 4 pp., F. Blanc, Food Container Division.

4-1-41 Gen. Price Book, Supp. 482, 16 pp., W. F. Baker, P&P Div.

4-29-41 Gen. Price Book, Supp., 486, 4 pp., Cy Donaldson, Dairy C. Div.

4-7-41 Gen. Price Book, Supp. 484, 6 pp., J. E. Humphrey, Bev. Div.

3-31-41 Gen. Price Book, Supp. 483, 4 pp., J. E. Humphrey, Liquor Div.

3-27-41 Utah Price Book, Supp. 173, 4 pp., F. Blanc, Food Container Div.

3-24-41 Utah Price Book, Supp. 172, 8 pp., J. E. Humphrey, Bev. Div.

3-24-41 Idaho-Montana-Schedule, Supp. 91, 4 pp., J. E. Humphrey, Bev. Div.

3-20-41 General Price Book, Supp. 481, 4 pp., F. Blanc, Food Container Div.

3-18-41 General Price Book, Supp. 480, 4 pp., J. E. Humphrey, Liquor Div.

3-13-41 General Price Book, Supp. 479, 5 pp., F. Blanc, Food Container Div.

3-13-41 Utah Price Book, Supp. 171, 6 pp., F. Blanc, Food Container Div.

[fol. 61246] 3-13-41 Idaho-Montana, Supp. 90, 4 pp., F. Blanc, Food Container Div.

3-6-41 General Price Book, Supp. 478, 6 pp., J. E. Humphrey, Liquor Division.

1-30-41 General Price Book, Supp. 470, 8 pp., J. E. Humphrey, Bev. Div.

2-3-41 General Price Book, Supp. 473, 6 pp., F. Blanc, Food Container Div.

2-3-41 General Price Book, Supp. 472, 3 pp., J. E. Humphrey, Bev. Div.

2-3-41 Utah Price Book, Supp. 168, 4 pp., F. Blanc, Food Container Division.

2-4-41 Utah Price Book, Supp. 169, 3 pp., F. Blanc, Food Container Division.

2-4-41 General Price Book, Supp. 474, 4 pp., F. Blanc, Food Container Division.

2-6-41 Utah Price Book, Supp. 170, 4 pp., W. F. Baker.

2-6-41 General Price Book, Supp. 475, 8 pp., W. F. Baker, General Sales Dept.

2-7-41 General Price Book, Supp. 476, 4 pp., J. E. Humphrey, Liquor Div.

2-10-41 General Price Book, Supp. 477, 4 pp., F. Blanc, Food Container Division.

2-11-41 Wyoming Price Book, Supp. 4, 4 pp., W. F. Baker, General Sales Dept.

2-11-41 Idaho-Montana Schedule, Supp. 89, 4 pp., W. F. Baker, Gen. Sales Dept.

1-9-41 Gen. Price Book, Supp. 468, 4 pp., J. E. Humphrey, Bev. Div.

12-23-40 Gen. Price Book, Supp. 465, 4 pp., J. E. Humphrey, Liquorware Div.

1-3-41 Gen. Price Book, Supp. 467, 6 pp., F. Blanc, Food Container Div.

11-14-40 Gen. Price Book, Supp. 460, 6 pp., F. Blanc, Food & Dairy C. Div.

11-20-40 Gen. Price Book, Supp. 462, 6 pp., J. E. Humphrey, Bev. Div.

[fol. 61247] 11-18-40 Gen. Price Book, Supp. 461, 7 pp., J. E. Humphrey, Bev. Div.

12-3-40 Gen. Price Book, Supp. 464, 8 pp., J. E. Humphrey, Bev. Div.

11-28-40 Utah Price Book, Supp. 167, 4 pp., F. Blanc, F & D Container Div.

11-27-40 Gen. Price Book, Supp. 463, 9 pp. F. Blanc, F & D Container Div.

11-6-40 Gen. Price Book, Supp. 459, F. Blanc, F & D Container Div.

10-30-40 Idaho-Montana Schedule, Supp. 88, 4 pp., F. Blanc, F & D Container Div.

10-30-40 Utah Price Book, Supp. 166, 6 pp., F. Blanc, F & D Container Div.

10-30-40 General Price Book, Supp. 458, 13 pp., F. Blanc, F & D Container Div.

10-24-40 General Price Book, Supp. 457, 4 pp., J. E. Humphrey, Liquor Ware Div.

10-18-40 General Price Book, Supp. 456, 12 pp., F. Blanc, F & D Container Div.

10-23-40 Utah Price Book, Supp. 165, 9 pp., F. Blanc, F & D Container Div.

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10-3-39 Idaho Montana Price Book, Supp. 77, 4 pp., J. E. Humphrey, Liquor Ware Div.

10-3-39 Utah Price Book, Supp. 132, 4 pp., J. E. Humphrey, Liquor Ware Div.

10-3-39 General Price Book, Supp. 389, 12 pp., F. Blanc, F & D Container Div.

10-5-39 General Price Book, Supp., 390, 4 pp. J. E. Humphrey, Beverage Div.

10-5-39 General Price Book, Supp. 391, 3 pp., J. E. Humphrey, Liquor Ware Div.

[fol. 61248] 10-9-39 General Price Book, Supp. 392, 4 pp., F. Blanc, F & D Container Div., P&P Div.

10-1-39 General Price Book, Supp. 387, 12 pp. E. Ray, F&D Container Div.

10-1-39 Idaho Montana Price Book, Supp. 76, 6 pp. E. Ray, F&D Container Div.

10-1-39 Utah Price Book, Supp. 130, 4 pp., E. Ray, F & D Container Div.

10-1-39 Arizona Pr. Schedule, Supp. 39, 4 pp., E. Ray, F&D Container Div.

9-20-39 General Price Book, Supp. 385, 9 pp., J. E. Humphrey, Beverage Div.

9-14-39 Utah Price Book, Supp. 129, 4 pp., J. E. Humphrey, Beverage Div.

9-14-39 General Price Book, Supp. 384, 6 pp. F. Blanc, F&D Container Div.

9-14-39 Utah Price Book, Supp. 128, 4 pp. F. Blanc, F&D Container Div.

9-14-39 Idaho Montana Price Book, Supp. 75, 4 pp., J. E. Humphrey, Bev. Div.

9-13-39 General Price Book, Supp. 383, 6 pp. J. E. Humphrey, L. W. Div.

9-11-39 General Price Bk., Supp. 382, 5 pp., J. E. Humphrey & F. Blanc, L. W. Div. & F&D Container Div.

9-7-39 Idaho-Montana Price Bk., Supp. 73, 4 pp., J. E. Humphrey, Bev. Div.

9-11-39 Utah Price Book, Supp. 127, 5 pp. J. E. Humphrey, F. Blanc, Bev. F&D Container Div.

9-11-39 Idaho-Montana Pr. Book, Supp. 74, 4 pp., J. E. Humphrey, Bev. Div.

9-7-39 Utah Price Book, Supp. 126, 4 pp., J. E. Humphrey, Bev. Div.

8-29-39 General Price Book, Supp. 380, 4 pp., J. E. Humphrey, L. W. Div.

8-28-39 General Price Book, Supp. 379, 11 pp. F. Blanc, F&D Container, Bev., Export Divs.

[fol. 61249] 8-28-39 Utah Price Book, Supp. 125, 8 pp. F. Blanc, F&D Container Div.

8-24-39 Utah Price Book, Supp. 124, 12 pp., F. Blanc, F&D Container Div.

8-25-39 General Price Book, Supp. 378, 26 pp., J. E. Humphrey & F. Blanc, Rev. & F&D Container Div.

8-21-39 Gen. Price Book, Supp. 375, 4 pp. F. Blanc, F&D Container Div.

8-22-39, Gen. Price Book, Supp. 376, 4 pp., MKG, LW Div.

8-23-39 Gen. Price Book, Supp. 377, 4 pp. F. Blanc, F&D C. Div.

8-23-39 Utah Price Book, Supp. 123, 4 pp. F. Blanc, F&D Container Div.

8-18-39 General Price Book, Supp. 374, 8 pp. J. E. Humphrey, Bev. Div.

8-16-39 General Price Book, Supp. 373, 4 pp., E. Ray, F & D Container Div. [Correction general milk (twice)].

8-15-39 General Price Book, Supp. 372, 4 pp., W. N. Hughes, Gen. Sales Dept.

8-14-39 General Price Book, Supp. 271, 16 pp., E. L. Fraser, Bev. Div.

8-10-39 General Price Book, Supp. 370, 12 pp., E. Ray, F&D Container Div.

8-10-39 Utah Price Book, Supp. 122, 10 pp., F. Blanc, F&D Container Div.

7-24-39 General Price Book, Supp. 365, 4 pp. E. L. Fraser, L. W. Div.

7-27-39 Utah Price Book, Supp. 120, 4 pp., E. L. Fraser, L. W. Div.

7-27-39 Idaho-Montana Div., Supp. 72, 4 pp., E. L. Fraser, L. W. Div.

8-4-39 General Price Book, Supp. 368, 8 pp. J. E. Humphrey, Bev. Div.

[fol. 61250] 8-8-39 Utah Price Book, Supp. 121, 4 pp., F. Blanc, F&D Container Div.

8-8-39 General Price Book, Supp. 367, 4 pp. F. Blanc, F&D Container Div.

8-8-39 General Price Book, Supp. 369, 4 pp., E. Ray, F&D Container Div.

7-10-39 General Price Book, Supp. 363, 7 pp., E. L. Fraser, P&P Div.

7-12-39 General Price Book, Supp. 364, 8 pp., F. Blanc, F&D Container Div.

7-12-39 Utah Price Book, Supp. 110, 8 pp., F. Blanc, F&D Container Div.

6-26-39 Utah Price Book, Supp. 117, 10 pp. F. Blanc, F&D Container Div.

7-5-39 Utah Price Book, Supp. 118, 4 pp., F. Blanc, F&D Container Div.

7-5-39 General Price Book, Supp. 363, 8 pp., F. Blanc, F&D Container Div.

6-13-39 General Price Book, Supp. 360, 12 pp., F. Blanc, F&D Container Div.

6-13-39 Utah Price Book, Supp. 116, 7 pp., F. Blanc F&D Container Div.

6-9-39 G. P. Sheet, Supp. 359, 6 pp., E. L. Fraser, Bev. Div.

6-9-29 Utah Price Book, Supp. 115, 4 pp. E. L. Fraser, Beverage Div.

6-9-39 Idaho Montana Price Book, Supp. 71, 4 pp., E. L. Fraser, Bev. Div.

6-7-39 General Price Sheet, Supp. 358, 6 pp., E. L. Fraser, L. W. Div.

6-6-39 Utah Price Book, Supp. 114, 4 pp., F. Blanc, F&D Container Div.

6-6-39 General Price Book, Supp. 357, 4 pp., F. Blanc, F&D Container Div.

[fol. 61251] 5-26-39 Idaho-Montana Price Book, Supp. 70, 6 pp., E. Ray, F&D Container Div.

5-23-39 General Price Book, Supp. 353, 6 pp., E. L. Fraser, General Sales Dept.

5-18-39 Idaho Montana Price Book, Supp. 69, 3 pp., E. L. Fraser, L. W. Div.

6-1-39 Utah Price Book, Supp. 113, 6 pp., F. Blanc, F&D Container Div.

6-1-39 General Price Book, Supp. 356, 6 pp., F. Blanc, F&D Container Div.

5-26-39 General Price Book, Supp. 355, 10 pp., E. Ray, F&D Container Div.

5-26-39 Arizona Price Schedule, Supp. 38, 4 pp., E. Ray, F&D Container Div.

5-26-39 Utah Price Book, Supp. 112, 4 pp., E. Ray, F&D Container Div.

5-1(7)1-39 Idaho-Montana Price Book, Supp. 68, 5 pp., E. L. Fraser, L. W. Div.

5-17-39 Utah Price Book, Supp. 110, 5 pp., E. L. Fraser, L. W. Div.

5-15-39 Utah Price Book, Supp. 111, 10 pp., F. Blanc, F&D Container Div.

5-15-39 General Price Book, Supp. 354, 11 pp., F. Blanc, F&D Container Div.

5-12-39 General Price Book, Supp. 352, 4 pp., E. L. Fraser, P&P Div.

5-7-39 General Price Book, Supp. 351, 8 pp., Jack Humphrey, MG, WFB, Bev. Div.

4-26-39 General Price Book, Supp. 349, 6 pp., Jack Humphrey, F. Blanc, Gen. Sales Dept.

3-31-39 General Price Book, Supp. 348, 4 pp., W. F. Baker, Gen. Sales Dept., San Fran.

4-4-39 Utah Price Book, Supp. 109, 1 p. E. L. Fraser, L. W. Div., S. F.

3-27-39 General Price Book, Supp. 346, 6 pp., E. L. Fraser, J. E. Humphrey, Bev. Div.

[fol. 61252] 3-30-39 General Price Book, Supp. 347, 6 pp., F. Blanc, F&D Container Div.

3-30-39 Utah Price Book, Supp. 108, 4 pp., F. Blanc, F&D Container Div.

3-24-39 Utah Price Book, Supp. 107, 8 pp., F. Blanc, F&D Container Div.

3-24-39 General Price Book, Supp. 345, 14 pp., F. Blanc, E. L. Fraser, Gen. Sales Dept.

3-22-39 General Price Book, Supp. 344, 6 pp., Gen. Sales Dept.

3-15-39 General Price Book, Supp. 339, 10 pp., J. E. Humphrey, Bev. Div.

3-8-39 Utah Price Book, Supp. 106, 6 pp., F. Blanc, F&D Container Div.

3-21-39 General Price Book, Supp. 343, 16 pp., E. L. Fraser, J. E. Humphrey, Bev. Div.

2-23-39 General Price Book, Supp. 338, 5 pp., E. Ray, F&D Container Div.

3-1-39 General Price Book, Supp. 340, 4 pp., F. Blanc, F&D Container Div. (Milks & Fr. Diff.).

10-8-40 Utah Price Book, Supp. 164, 4 pp., F. Blanc, F&D Container Div.

10-9-40 General Price Book, Supp. 455, 10 pp., F. Blanc, F&D Container Div.

9-20-40 General Price Book, Supp. 453, 11 pp., J. E. Humphrey, Bev. Div.

9-12-40 General Price Book, Supp. 451, 4 pp., F. Blanc, F&D Container Div.

9-3-40 General Price Book, Supp. 450, 6 pp., F. Blanc, F&D Container Div.

8-28-40 General Price Book, Supp. 449, 4 pp., E. L. Fraser, M&C Div.

8-20-40 Utah Price Book, Supp. 163, 4 pp., J. E. Humphrey, Bev. Div.

8-20-40 Idaho-Montana Div., Supp. 87, 4 pp., J. E. Humphrey, Bev. Div.

8-20-40 General Price Book, Supp. 448, 8 pp., J. E. Humphrey, Bev. Div.

[fol. 61253] 8-7-40 Idaho-Montana Sch., Supp. 86, 4 pp., F. Blanc, F&D Container Div.

8-7-40 Utah Price Book, Supp. 162, 3 pp., F. Blanc, F&D Container Div.

8-7-40 General Price Book, Supp. 447, 4 pp., F. Blanc, F&D Container Div.

7-30-40 General Price Book, Supp. 446, 7 pp., L. F. Sampson, Export Div.

7-15-40 General Price Book, Supp. 446, 4 pp., W. F. Baker, General Sales Dept.

6-19-40 General Price Book, Supp. 442, 8 pp., E. Fraser, L. W. Div.

7-27-40 Idaho-Montana Schedule, 8 pp., E. Ray, F&D Container Div.

6-27-40 Utah Price Book, Supp. 161, 6 pp., E. Ray, F&D Container Div.

6-27-40 Arizona Price Schedule, Supp. 3, 4 pp., E. Ray, F&D Container Div.

6-27-40 Wyoming Price Book, Supp. 3, E. Ray, F & D Container Div.

6-26-40 General Price Book, Supp. 444, 14 pp., E. Ray, F&D Container Div.

6-24-40 Utah Price Book, Supp. 160, 4 pp., J. E. Humphrey, Bev. Div.

6-24-40 Idaho-Montana Schedule, Supp. 84, 4 pp., J. E. Humphrey, Bev. Div.

6-24-40 General Price Book, Supp. 443, 8 pp., Liquor Bottles.

6-14-40 General Price Book, Supp. 441, 8 pp. F. Blanc, F&D Container Div.

6-14-40 Utah Price Book, Supp. 159, 6 pp., F. Blanc, F&D Container Div.

6-13-40 Idaho-Montana Schedule, Supp. 84, 4 pp., E. Ray, F&D Container Div.

5-27-40 Utah Price Book, Supp. 158, 4 pp., F. Blanc, F & D Container Div.

[fol. 61254] 5-27-40 General Price Book, Supp. 440, 6 pp., F. Blanc, F&D Container Div.

5-22-40 Idaho-Montana Schedule, Supp. 83, 6 pp., E. Ray, F&D Container Div.

5-22-40 Utah Price Book, Supp. 157, 4 pp., E. Ray, F&D Container Div.

5-22-40 General Price Book, Supp. 439, 4 pp., E. Ray, F&D Container Div.

5-16-40 Utah Price Book, Supp. 156, 4 pp., F. Blanc, F&D Container Div.

5-15-40 General Price Book, Supp. 438, 10 pp., J. E. Humphrey, Bev. Div.

5-10-40 Utah Price Book, Supp. 155, 10 pp., F. Blanc, F&D Container Div.

5-10-40 General Price Book, Supp. 437, 12 pp. F. Blanc, F&D Container Div.

5-2-40 General Price Book, Supp. 436, 15 pp., E. L. Fraser, F. Blanc, P&P Div.

5-2-40 Utah Price Book, Supp. 154, 5 pp., F. Blanc, F&D Container Div.

4-30-40 General Price Book, Supp. 434, 8 pp., E. L. Fraser, J. E. Humphrey (Bev.), Bev. & L. Div.

4-25-40 General Price Book, Supp. 435, 10 pp., W. F. Baker, General Sales Dept.

4-23-40 General Price Book, Supp. 433, 14 pp., E. Ray, F&D Container Div.

4-18-40 General Price Book, Supp. 432, 8 pp., J. E. Humphrey, Bev. Div.

4-18-40 Utah Price Book, Supp. 153, 14 pp., F. Blanc, F&D Container Div.

4-18-40 General Price Book, Supp. 432, 15 pp., F. Blanc, F&D Container Div.

4-17-40 Utah Price Book, Supp. 152, 9 pp., E. Ray, F&D Container Div.

4-17-40 Idaho Montana Schedule, Supp. 82, 4 pp., E. Ray, F&D Container Div.

4-17-40 Arizona Price Schedule, Supp. 42, 4 pp., E. Ray, F&D Container Div.

[fol. 61255] 4-16-40 Wyoming Price Book, Supp. 2-3 pp., E. Ray, F & D Container Div.

4-16-40 General Price Book, Supp. 431-4 pp., E. L. Fraser, Bev. Div.

4-15-40 General Price Book, Supp. 430-6 pp., J. R. Humphrey, Bev. Div.

4-12-40 Utah Price Book, Supp. 152-10 pp., E. L. Fraser, P & P Div.

4-15-40 General Price Book, Supp. 429-26 pp., E. Ray, F & D Container Div.

3-21-40 Utah Price Book, Supp. 150-6 pp., F. Blanc, F & D Container Div.

3-21-40 General Price Book, Supp. 425-6 pp., F. Blanc, F & D Container Div.

3-25-40 General Price Book, Supp. 426-8 pp., E. L. Fraser, L. W. Div.

3-26-40 General Price Book, Supp. 427-8 pp., W. F. Baker, General Sales Dept.

4-1-40 General Price Book, Supp. 428-8 pp., F. Blanc, F & D Container Div.

4-1-40 Utah Price Book, Supp. 151-6 pp., F. Blanc, F & D Container Div.

3-11-40 General Price Book, Supp. 422-8 pp., F. Blanc, F & D Container Div.

3-11-40 Utah Price Book, Supp. 148-4 pp., F. Blanc, F & D Container Div.

3-13-40 General Price Book, Supp. 423-5 pp., J. E. Humphrey, General Sales Dept.

3-15-40 Utah Price Book, Supp. 149-30 pp., F. Blanc, F & D Container Div.

3-15-40 General Price Book, Supp. 424-26 pp., F. Blanc, F & D Container Div.

2-29-40 General Price Book, Supp. 421-12 pp., F. Blanc, F & D Container Div.

2-29-40 Utah Price Book, Supp. 147-4 pp., F. Blanc, F & D Container Div.

[fol. 61256] 2-27-40 General Price Book, Supp. 420-6 pp., W. F. Baker, Gen. Sales Dept.

2-26-40 General Price Book, Supp. 419-7 pp., E. L. Fraser, L. W. Div.

2-19-40 General Price Book, Supp. 418-6 pp., F. Blanc, F & D Container Div.

2-19-40 Utah Price Book, Supp. 146-4 pp., F. Blanc, F & D Container Div.

2-16-40 General Price Book, Supp. 417-8 pp., J. E. Humphrey, Bev. Div.

1-22-40 General Price Book, Supp. 414-14 pp., J. W. Davenport, Package Sales Div.

1-26-40 General S. Book, Supp. 415-8 pp., J. E. Humphrey, General Sales Dept.

1-26-40 Utah Price Book, Supp. 144-6 pp. F. Blanc, F & D Container Div.

2-1-40 General Price Book, Supp. 416-10 pp., E. Ray, E. L. Fraser, F & D Container Div.

2-1-40 Arizona P. Sch., Supp. 41-4 pp., E. Ray, F & D Container Div.

2-1-40 Utah Price Book, Supp. 145-4 pp., E. Ray, F & D Container Div.

2-1-40 Idaho-Montana Sch., Supp. 81-6 pp., E. Ray, F & D Container Div.

1-16-40 Utah Price Book, Supp. 143-3 pp., F. Blanc, F & D Container Div.

1-18-40 General Price Book, Supp. 413-8 pp., E. L. Fraser, Gen. Sales Dept.

1-9-40 General Price Book, Supp. 411-10 pp., E. L. Fraser, O. L. W. Div.

12-27-39 General Price Book, Supp. 408-4 pp., E. L. Fraser, P & P Div.

12-26-39 G. P. Bock, Supp. 407-4 pp., M. K. G., Bev. Div.

1-4-40 General Price Book, Supp. 409-8 pp., E. L. Fraser, L. W. Div.

[fol. 61257] 1-3-40 Utah Price Book, Supp. 142-8 pp., F. Blanc, F & D Container Div.

1-5-40 General Price Book, Supp. 410-15 pp., E. L. Fraser, FB, Bev. Div.

12-18-39 General Price Book, Supp. 405-6 pp., F. Blanc, F & D Container Div.

12-18-39 Utah Price Book, Supp. 141-4 pp., F. Blanc, F & D Container Div.

12-20-39 General Price Book, Supp. 406-4 pp., J. E. Humphrey, Bev. Div.

12-4-39 General Price Book, Supp. 402-10 pp., E. L. Fraser, F. Blanc, Bev. Div.

12-4-39 Idaho-Montana Sch., Supp. 79-4 pp., E. L. Fraser, Bev. Div.

12-5-39 General Price Book, Supp. 403-12 pp., F. Blanc, E. Ray, F & D Container Div.

12-4-39 Idaho Montana Schedule, Supp. 80-6 pp., E. Ray, F & D Container Div.

12-5-39 Utah Price Book, Supp. 139-8 pp., F. Blanc, F & D Container Div.

12-5-39 Arizona P. Schedule, Sup-. 40-4 pp., E. Ray, F & D Container Div.

12-6-39 Supplement #404, 4 pp., E. Blank, F & D Container Div.

12-6-39 Utah Price Book, Supp. 140-6 pp., F. Blanc, F & D Container Div.

11-28-39 General Price Book, Supp. 401-4 pp., J. E. Humphrey, Bev. Div.

11-28-39 Utah Price Book, Supp. 138-4 pp., F. Blanc, F & D Container Div.

11-28-39 General Price Book, Supp. 400-14 pp., F. Blanc, F & D Container Div.

11-21-39 Utah Price Book, Supp. 137-4 pp., J. E. Humphrey, Bev. Div.

11-21-39 General Price Book, Supp. 309-4 pp., J. E. Humphrey, Bev. Div.

[fol. 61258] 11-20-39 General Price Book, Supp. 308-4 pp., E. L. Fraser, P & P Div.

11-15-39 General Price Book, Supp. 307-8 pp., W. F. Baker, General Sales Div.

11-7-39 General Price Book, Supp. 396-4 pp., J. E. Humphrey, Bev. Div.

11-21-39 Idaho-Montana Schedule, Supp. 78-4 pp., J. E. Humphrey, Bev. Div.

10-13-39 General Price Book, Supp. 394-5 pp., E. L. Fraser, L. F. S., Bev. Div.

10-25-39 (no date first page) Utah Price Book, Supp. 135-4 pp., E. L. Fraser, P & P Div.

10-27-39 Utah Price Book, Supp. 136-6 pp., F. Blanc, F & D Container Div.

10-27-39 General Price Book, Supp. 395-8 pp., F. Blanc, F & D Container Div.

10-12-39 Utah Price Book, Supp. 134-7 pp., F. Blanc, F & D Container Div.

10-12-39 General Price Book, Supp. 393-7 pp., F. Blanc, F & D Container Div.

10-2-39 Utah Price Book, Supp. 131-8 pp., F. Blanc, F & D Container Div.

10-2-39 General Price Book, Supp. 388-8 pp., F. Blanc, F & D Container Div.

GOVERNMENT EXHIBIT No. 1731 A

September 26, 1941

UTAH SCHEDULE

2 copies - Los Angeles	W. I. Cole	A. Austin
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2 " - East	W. H. Geiger	L. F. Sampson
	G. M. Brown	H. Castner
	W. F. Baker	

UTAH PRICE BOOK

Supplement No. 186

Attached is a complete new P & P Price List, Pages 1 to 10 inclusive. This cancels entire P & P Section now in your possession.

New Prices represent a general increase in all schedules; new prices are effective as of today; all Straight Orders and Contracts taken after today must be taken at the new prices.

Shipments applying against contracts now in effect will continue to be invoiced at the old prices up to October 1, 1941, only.

All shipments, without exception, made after September 30, 1941, must be invoiced at the prices shown on the attached new list.

P & P DIVISION

W.F.Baker
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PRICE LIST

UTAH SCHEDULE

PHARMACEUTICAL & PROPRIETARY WARE

GENERAL SALES DEPARTMENT
OWENS-ILLINOIS PACIFIC COAST COMPANY

GENERAL OFFICES

SAN FRANCISCO. CALIFORNIA

Subject to change without notice

61260

September 26, 1941

I N D E X

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3.	One Panel Extracts	7
10.	Sodium Hypochlorite Bottles	8
11.	Misc. (Citrate of Magnesias (I.S. Ware (Nursers and Sterilizers (Oil Dispensing Bottles (Pomades	8 - 9
15.	Inks and Paste Jars	10

IMPORTANT

Note carefully "UTAH GENERAL PRICE CONDITIONS" which apply to this class of ware.

Prices shown in these lists are minimum for standard shapes. Inquiries for bottles of unusual shape or special design are to be submitted to General Sales Dept. for prices.

61261

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CLASSIFICATION FOR PRICING
PHARMACEUTICAL AND PROPRIETARY WARE

September 26, 1941

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Ammonia Ovals	1
Blakes	1
Blueing Bottles	1
Castor Oils	1
Citrate of Magnesia	11
Colgates	1
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Dropper Bottles to Users (No completes)	1
Druggist Packers	1
Embalming Fluids	1
Essential Oils	1
Flat Extracts	1
Fluid Extracts	1
French Squares	1
Imperial Oblongs	1
Ink Bottles	15
I.S. Ware	1
Mercurochrome Bottles to Users (no completes)	1
Milk of Magnesia	1
Mineral Oil Ovals	1
Miscellaneous Toilets	1
Nursers & Sterilizers	11
Oil Dispensing Bottles	1
One-Panel Extracts	3
Ovals	1
Peroxides	1
Pomades	W/M
Prescription Bottles (Round, Oval, Oblong or Square)	1
Shoe Polish Bottles	1
Spice Bottles	1
Tablet and Pill Bottles (Blakes)	1
Toilet Bottles	1
Sodium Hypochlorite Bottles	10

CAPACITY

Lists No. 1 to 3 Incl.

The capacity of all bottle prices from Lists 1 to 3 inclusive, is measured to a point half-way between the bottom of the neck and the middle of the shoulder. For intermediate capacities, use the next higher capacity price.

CARLOAD PRICES, ETC.

As defined under "General Conditions" in our General Price Book.

ALL GLASS SPRINKLER TOP

An additional charge of 10¢ per gross to be made on all bottles with ALL GLASS SPRINKLER TOP finish.

CHARGE FOR ATTACHING CAPS

If caps are to be attached at the lehr, there will be an additional charge of 15¢ per gross.

UTAH SCHEDULE

September 26, 1941

LIST NO. 1

ROUNDS, OVALS, SQUARES, OBLONGS, & TALL FLATS

Capacity	Max. Blow. Weight	Bottles per Carton	CARLOAD Service Cartons	CARLOAD CRC 113	CARLOAD CDC #13	LESS CARLOAD Service Cartons	LESS CARLOAD CRC 113	LESS CARLOAD CDC #13	Shipping Weight
1/8 oz	1 oz	--	$1.12	$-	$-	$1.25	$-	$-	10#
1/4 oz	--	--	1.12	--	--	1.25	--	--	10#
1/2 oz	1½ oz	--	1.27	--	--	1.39	--	--	12#
3/4 oz	2 oz	--	1.41	--	--	1.54	--	--	15#
1 oz	2½ oz	1 doz	1.57	2.01	1.93	1.72	2.20	2.11	18#
		2 doz	--	1.88	1.83	--	2.06	2.00	
		3 doz	--	1.84	1.79	--	2.01	1.96	
		4 doz	--	1.83	1.77	--	2.00	1.94	
		6 doz	--	1.77	1.74	--	1.94	1.90	
		12 doz	--	1.76	1.72	--	1.93	1.88	
1½ oz	3 oz	1 doz	1.86	2.30	2.20	2.03	2.52	2.41	25#
		12 doz	--	2.03	1.99	--	2.22	2.18	
2 oz	3½ oz	1 doz	2.10	2.54	2.43	2.29	2.78	2.66	30#
		2 doz	--	2.40	2.35	--	2.62	2.57	
		3 doz	--	2.36	2.32	--	2.58	2.54	
		4 doz	--	2.35	2.28	--	2.57	2.49	
		6 doz	--	2.28	2.25	--	2.49	2.46	
		12 doz	--	2.26	2.23	--	2.47	2.44	
2½ oz	4 oz		2.27	--	--	2.48	--	--	35#
3 oz	4½ oz	1 doz	2.45	2.97	2.88	2.61	3.25	3.15	40#
		2 doz	--	2.86	2.76	--	3.12	3.01	
		3 doz	--	2.79	2.73	--	3.05	2.98	
		4 doz	--	2.78	2.72	--	3.04	2.97	
3½ oz	5 oz	1 doz	2.58	3.11	3.00	2.81	3.40	3.28	45#
		2 doz	--	2.98	2.90	--	3.25	3.17	
		3 doz	--	2.93	2.87	--	3.20	3.13	
		4 doz	--	2.92	2.84	--	3.19	3.10	
4 oz	5½ oz	1 doz	2.77	3.28	3.18	3.02	3.58	3.47	50#
		2 doz	--	3.16	3.07	--	3.45	3.35	
		3 doz	--	3.11	3.03	--	3.39	3.31	
		4 doz	--	3.10	3.02	--	3.38	3.29	
		6 doz	--	3.02	2.98	--	3.29	3.25	
5 oz	6 oz	1 doz	3.12	3.74	3.61	3.40	4.08	3.94	60#
		2 doz	--	3.61	3.52	--	3.94	3.84	
		3 doz	--	3.55	3.49	--	3.87	3.81	
		4 doz	--	3.54	3.48	--	3.86	3.80	
6 oz	7½ oz	1 doz	3.50	4.11	3.98	3.81	4.48	4.34	70#
		2 doz	--	3.98	3.89	--	4.34	4.24	
		3 doz	--	3.92	3.86	--	4.27	4.21	
7 oz	8½ oz	1 doz	3.92	4.54	4.40	4.27	4.95	4.80	85#
		2 doz	--	4.40	4.33	--	4.80	4.72	
		3 doz	--	4.36	4.29	--	4.76	4.68	
9 oz	9½ oz	1 doz	4.28	4.98	4.81	4.66	5.43	5.24	90#
		2 doz	--	4.87	4.74	--	5.31	5.16	
		3 doz	--	4.80	4.71	--	5.23	5.13	
10 oz	10½ oz	1 doz	4.77	5.56	5.37	5.19	6.06	5.85	110#
		2 doz	--	5.43	5.29	--	5.92	5.76	

(P&P)

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UTAH SCHEDULE

September 26, 1941

LIST NO. 1

ROUNDS, OVALS, SQUARES, OBLONGS, & TALL FLATS

Capacity	Max. Blow. Weight	Bottles per Carton	CARLOAD Service Cartons	CARLOAD CRC 113	CARLOAD CDC #13	LESS CARLOAD Service Cartons	LESS CARLOAD CRC 113	LESS CARLOAD CDC #13	Shipping Weight
12 oz	12 oz	1 doz	5.32	6.11	5.91	5.79	6.66	6.44	120#
		2 doz	--	5.97	5.84	--	6.50	6.36	
(13 oz &									
(14 oz	13 oz	1 doz	5.68	6.58	6.31	6.17	7.16	6.86	140#
		2 doz	--	6.45	6.24	--	7.02	6.79	
16 oz	15 oz	½ doz	--	7.52	7.27	--	8.19	7.91	150#
		1 doz	6.04	6.96	6.69	6.56	7.57	7.28	
		2 doz	--	6.81	6.61	--	7.41	7.19	
18 oz	16 oz	1 doz	7.22	8.12	7.85	7.85	8.84	8.53	160#
		2 doz	--	7.99	7.78	--	8.70	8.47	
20 oz	18 oz	1 doz	8.13	9.18	8.88	8.84	9.99	9.66	190#
22 oz	19 oz	1 doz	8.39	9.42	9.12	9.12	10.26	9.93	190#
		2 doz	--	9.25	8.98	--	10.07	9.77	
24 oz	20 oz	1 doz	8.86	9.90	9.60	9.64	10.78	10.45	200#
25-3/5	22 oz	1 doz	9.28	10.33	10.03	10.09	11.24	10.91	220#
28 oz	23½ oz	1 doz	9.89	11.11	10.73	10.75	12.09	11.67	240#
32 oz	24 oz	4 ea.	10.20	12.55	12.01	11.08	13.67	13.07	250#
		½ doz	--	12.20	11.76	--	13.28	12.80	
		1 doz	--	11.50	11.12	--	12.51	12.09	
40 oz	28 oz	--	12.39	--	--	13.46	--	--	300#
48 oz	32 oz	--	15.62	--	--	17.00	--	--	325#
64 oz	37 oz	1 doz	16.29	--	16.29	17.74	--	17.74	330#
80 oz	48 oz	1 doz	21.76	--	21.76	23.77	--	23.72	400#
96 oz	50 oz	1 doz	23.67	--	23.67	25.76	--	25.76	510#
128 oz	58 oz	1 doz	24.56	--	24.56	26.71	--	26.71	560#

UTAH SCHEDULE

LIST NO. 3

ONE PANEL EXTRACTS

Capacity	Max. Blow. Weight	Bottles per Carton	CARLOAD Service Cartons	CARLOAD CRC 113	LESS CARLOAD Service Cartons	LESS CARLOAD CRC 113	Shipping Weight
1/2 oz	2½ oz	--	1.98	--	2.16	--	25#
3/4 oz	4 oz	--	2.27	--	2.48	--	40#
1 oz	4½ oz	1 doz	2.40	2.84	2.62	3.10	40#
		2 doz	--	2.71	--	2.96	40#
1½ oz	5 oz	--	2.77	--	3.02	--	50#
2 oz	5½ oz	1 doz	2.95	3.37	3.21	3.67	60#
		2 doz	--	3.26	--	3.55	60#
		4 doz	--	3.19	--	3.48	60#
		6 doz	--	3.12	--	3.40	60#
		12 doz	--	3.11	--	3.39	60#
2½ oz	6½ oz	--	3.25	--	3.54	--	70#
3 oz	7 oz	--	3.37	--	3.67	--	70#
3½ oz	7½ oz	--	3.55	--	3.86	--	80#
4 oz	8 oz	1 doz	3.79	4.31	4.12	4.69	90#
		2 doz	--	4.19	--	4.56	90#
5 oz	9½ oz	--	4.52	--	4.92	--	100#
6 oz	11 oz	2 doz	4.94	5.43	5.37	5.91	115#
7 oz	12 oz	--	5.39	--	5.86	--	125
8 oz	14 oz	2 doz	5.86	6.44	7.14	6.96	140
10 oz	15½oz	--	6.65	--	7.22	--	165
12 oz	16 oz	1 doz	7.01	7.80	7.62	8.48	175
		2 doz	--	7.68	--	8.35	175

UTAH SCHEDULE

LIST #10
SODIUM HYPOCHLORITE BOTTLES
ANY WEIGHT OR SHAPE-PLAIN OR LETTERED
WITH OR WITHOUT GLASS EAR

Capacity	Pack	Carload	L/C/L	Approx. Wt. Per Gross
16 oz.	2 doz #13	$4.87	$5.29	125#
	2 doz #113	5.03	5.46	
32 oz.	1 doz #13	7.37	7.99	210#
*64 oz. (33 oz Wt or less)	½ doz #13 (Bottom pad optional)	12.76	13.86	329#
*128 oz	4 ea. #13	16.61	17.99	519#
	4 ea. #17	17.92	14.91	547#

*Half-Gallon and One Gallon sizes - maximum finish 28-400

LIST #11
CITRATE OF MAGNESIA BOTTLES

	Wholesale Druggists for Resale & Large Buyers	Retail Druggists & Small Buyers	Ship. Wt.
12 oz Flint Priof or Crown Fin., Pkd in crates 1 gr. ea. or 4 dozen corrugated CDC	5.50	7.16	120#
12 oz GCA 400 Fin. c/w 28mm C/T cap, waxed comp. cork liner attached	6.05	7.90	126#
12 oz c/w Porcelain Stopper attached	8.10	10.57	140#

Retail and Small Buyers Schedule subject to quantity discounts as follows:

5 case lots ... 5% 10 case lots ... 10%

LIST #11 Cont'd.
LIGHT WEIGHT ALCOHOL RUB BOTTLES

Cap.	Max. Wt.	Packing	Quantity	Carload	L/C/L	Wt. per Gr.
16 oz.	12 oz.	1 doz #13	5.07	5.51	5.99	125#
		1 doz 113	5.30	5.76	6.27	
		2 doz #13	4.99	5.42	5.89	
		2 doz 113	5.18	5.63	6.12	

See Pacific Coast (White) sheets for price conditions on this schedule.

LIST #11 Cont'd.

NURSERS & STERILIZERS.

	Wholesale Druggists for Resale & Large Buyers	Retail Druggists & Small Buyers	Ship Wt.
4 oz. Rd. or Oval Sterilizers N/M, pkd. in crts. or 6 doz. CDC	$3.69	$4.85	44#
8 oz. Rd. or Oval Sterilizers N/M pkd, in crts., or 6 doz. CDC	3.90	5.21	70

On Retail and Small Buyers Schedule, subject to Quantity Discounts as follows:

5 case lots ... 5% 10 case lots ... 10%

POMADE JARS

Quote according to W/M Mold List

COMPOSITE TEST JARS

Quote according to W/M Mold List. Quote jobbers and C/L buyers C/L prices and all others L/C/L prices.

September 26, 1941

UTAH SCHEDULE

LIST NO. 15
INKS & PASTE JARS

Capacity Measured to Bottom of Neck

SERVICE CARTONS

Capacity		C/L	L/C/L	Ship. Wt.
1-1/4 oz.	Square Inks #8 cork fin.	2.16	2.35	40#
1-1/2 oz.	Cylinder Mucilage #139-1/4 screw fin.	1.95	2.13	35#
1-1/2 oz.	Cone Paste Jars #139-1/4 screw fin.	2.16	2.35	40#
2 oz.	Sq. Inks #8 cork fin & 30-150 Amer.	2.38	2.59	45#
2 oz.	Cylinder mucilage #8 cork fin.	2.16	2.35	40#
2 oz.	Sq. Mucilage #139-1/4 screw fin.	2.38	2.59	45#
2 oz.	Cone Paste Jars #139-1/4 screw fin. and 38-400 S/T	2.38	2.59	45#
3 oz.	Cone Paste Jars 38mm GCA 400 fin.	3.25	3.55	55#

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GOVERNMENT EXHIBIT No. 1731 B

September 25, 1941

UTAH SCHEDULE

2 copies	- Los Angeles	W. I. Cole	A. Austin
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5 "	- Portland	F. Hoho	E. L. Fraser
5 "	- Salt Lake	F. Blanc	E. Marr
2 "	- East	W. H. Geiger	L. Sampson
		G. H. Brown	H. Castner
		W. F. Baker	

UTAH PRICE BOOK

Supplement No. 185

Attached is a complete new Narrow Mouth Food Price List, Pages 1 to 14 inclusive. This cancels the entire Narrow Mouth Food Price List now in your possession.

New prices represent a general increase in all schedules; new prices are effective as of today; all Straight Orders and Contracts taken after today must be taken at the new prices.

Shipments applying against contracts now in effect will continue to be invoiced at the old prices up to Oct. 1, 1941 only.

All shipments, without exception, made after Sept. 30, 1941, must be invoiced at the prices shown on the attached new list.

FOOD CONTAINER DIVISION

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PRICE LIST

UTAH SCHEDULE

NARROW MOUTH FOOD CONTAINER
AND
FRUIT JUICE BOTTLES

* * * *

GALLON AND HALF GALLON
JUG SHAPE PACKERS

GENERAL SALES DEPARTMENT

OWENS-ILLINOIS PACIFIC COAST COMPANY

GENERAL OFFICES

SAN FRANCISCO, CALIF.

Subject to Change Without Notice

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UTAH SCHEDULE September 25, 1941

INDEX

List No.		Page No.
1.	Catsup, Tomato Juice and Tomato Juice Cocktail Shakers and Chili Sauce Bottles	4 & 5
2.	Standard Light Weight Vinegars, Juice, Syrup, Pectin, 105 oz. Bottles	5
3.	Heavy Weight Syrup, Juice, Oil, Vinegar & Fr. Dressing Bottles	7 & 8
4.	Standard Light Weight Jugs	9
5.	All Heavy Weight Jugs	10 & 11
6.	Worchestershire Bottles with Cap Seat	12
7.	Tall Bell Bottom Olive Oil and Salad Oil Bottles	12
9.	One-Half Gallon and One Gallon Jug Shape Packers	13 & 14

IMPORTANT

NOTE CAREFULLY: GENERAL PRICE CONDITIONS which apply to this class of ware.

Prices shown on these lists are minimum for Standard Shapes. Inquiries for bottles of unusual shapes or special designs to be submitted to General Sales Department San Francisco.

C L A S S I F I C A T I O N S

To find proper price for any bottle, first ascertain product to be packed therein and use prices listed herein applying on ware so described. Measure liquid capacity to filling point, which is shown under each classification. If capacity is not shown in the classification, use next higher price. FOR EXAMPLE: A 2-3/4 oz. container will take the 3 oz. price. When weight exceeds the maximum weight specified, use the price opposite the actual making weight. When intermediate, use the price given for the next higher weight. For bottles made at a lighter weight, there will be no reduction in price; EXCEPTION: Glass handled jugs, regardless of product to be packed, are to be quoted off LIST #4 & 5.

12 OZ. DECANTERS

Due to extra heavy blowing weight of 12 oz. capacity #2069-W Decanters, this item to be quoted off 16 oz. capacity price, governing the product to be packed.

SAUCE BOTTLES

All bottles other than with capseat to accommodate shell cork and glass stopper when used for the packaging of sauces, such as Soy, Barbecue, Worcestershire, etc., are to be quoted from N/M List #3. If bottle has capseat for shell cork and glass stopper, quote from N/M List #6.

GRENADINE SYRUP AND CORDIALS

Bottles to be used for alcoholic Grenadine Syrup or alcoholic cordials, quote Liquor Ware List. Bottles to be used for non-alcoholic Grenadine Syrup or non-alcoholic Cordials, quote flat bottom Wine List.

September 25, 1941

UTAH SCHEDULE

METHOD OF DETERMINING THE PROPER PRICE APPLYING ON ANY GIVEN ITEM

The prices on items coming under the Narrow Mouth List are divided into three classifications as follows:

CONTRACT BUYERS PRICE

Buyer must contract or place firm order for not less than 5 cars (30,000 lbs. Price Book Weights) of Narrow Mouth containers, or for a total of 10 cars of assorted Wide Mouth and Narrow Mouth ware to be shipped within one year.

At no time will we accept a five-car contract covering a combination of W/M and N/M Food Container items. In order to get contract buyers prices, customer must place contract for minimum of:

5 cars of W/m ware, or;
5 cars of N/M ware; or
10 cars assorted W/M and N/M ware.

NOTE: Items not to be included to make weight s are: all styles of tumblers, Rumjars, Extracts, and all T & P items. Half and One-Gallon jugs with 70mm opening and larger are considered Wide Mouth items -- with smaller finish are to be considered Narrow Mouth items.

On items where there is no CONTRACT BUYERS price, the lowest price should prevail, i. e., Half Gallon Jugs.

Any account buying W/M ware for cosmetic, dog food, bird seed, fish eggs, saddle soap, etc. are privileged to qualify for Contract Buyers prices in the same manner as buyers of W/M food container items.

LARGE BUYERS PRICE

Buyers who are known to be actual users of a carload (30,000 lbs. Price Book Weights) or more of ware during a year's period. If there is doubt that the buyer will qualify for the LARGE BUYERS price, customer should be invoiced on the STANDARD BUYERS Price until such time as a carload of ware (30,000 lbs.) has been used during the period of a year, at which time it will be satisfactory to rebate on the basis of the LARGE BUYERS Price.

STANDARD BUYERS PRICE

This price is to be quoted to the small lot buyer who has no chance of qualifying for the LARGE BUYERS Price.

REGARDING GALLON JUGS

All customers, other than N/M or W/M Food Container buyers must use 500 gross of 1 Gallon Jugs in one year in order to qualify for Contract Buyers prices.

A customer to qualify for rebate, may apply plain or fancy Gallons to total 500 gross.

If you find a customer is using Gallons from one of our competitors, quantities taken from them may be applied in qualifying for our Contract price.

UTAH SCHEDULE

LIST NO. 1 — September 25, 1941

CATSUP, CHILI SAUCE AND TOMATO COCKTAIL SAUCE BOTTLES
STANDARD WEIGHT TOMATO PRODUCTS CONTAINERS

Capacity	Maximum Blowing Weight	Bottles per Carton	LARGE BUYERS S/C	LARGE BUYERS CRC #113	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #113	STANDARD BUYERS CDC #13	Ship.Per Gross
7-8 Oz.	8½ Oz.	2 doz.	3.42	4.02	3.93	3.71	4.37	4.27	91#
10-11½	11½	2 doz.	4.36	4.75	4.63	4.73	5.16	5.03	120#
		1 doz.	--	4.88	4.77	--	5.30	5.18	124#
12-13	12½	2 doz.	4.66	5.27	5.09	5.05	5.73	5.53	130#
		1 doz.	--	5.48	5.36	--	5.95	5.82	134#
16 oz.	15 oz.	2 doz.	--	6.42	--	--	6.97	--	172#

CHILI SAUCE BOTTLES - Add 10¢ per gross to the above STANDARD WEIGHT TOMATO PRODUCTS CONTAINER prices.

IMPORTANT - The capacity of all Catsup, Chili Sauce and Tomato Cocktail Sauce Bottles is measured to bottom of the finish.

ONE STYLE SUPERIOR (MEDIUM WEIGHT) CATSUPS

Capacity	Maximum Blow.Wt.	
7-8 Oz.	7½ Oz.	Deduct 15¢ per gr. from Standard Weight Catsups.
10-10-7/8	9-3/4	ditto ditto
12-13	10-3/4	Deduct 30¢ per gr. from ditto

NOTE: We are standardizing on GCA blueprint C-310, which is fluted from the shoulder to the bottom.

If any customer wants other design and will order sufficient quantity to warrant new design, take up with Food Container Division, San Francisco.

SPECIFICATION OF "SUPERIOR" (MEDIUM HEIGHT) CATSUPS G.C.A. BLUEPRINT C-310 ARE:

Capacity Fluid Oz.	Maximum Weight	Filling Point Up From Bottom	Height to Parting Line	Shipping Wt. Per Gr.
7-1/8 Oz.	7-1/2 Oz.	6-1/8 in.	6-1/8 in.	85 lbs.
10-7/8 Oz.	9-3/4 Oz.	6-7/8 in.	6-7/8 in.	108 lbs.
12-1/2 oz.	10-3/4 Oz.	7-3/8 in.	7-3/8 in.	117 lbs.

Sept er 25, 1941

UTAH SCHEDULE

ONE STYLE STUBBY LIGHT WEIGHT CATSUP

Capacity	Max. Wt.	
12-13 oz.	8-1/4 oz.	Deduct 55¢ per gross from Standard Weight Catsups.

NOTE: We are standardizing on 12-3/4 oz. blueprint #2016.

If any customer wants other design and will order sufficient quantity to warrant new design, take up with Food Container Division, San Francisco.

SPECIFICATIONS ON 12-3/4 OZ. BLUEPRINT #2016 STUBBY STYLE CATSUPS ARE:

Capacity overflowing 26/275 finish	12-29/32 oz.
12-3/4 oz. filling point from base	5-29/32 in.
Maximum blowing weight	8-1/4 oz.
Height overall	6-27/32 in
Shipping Weight per Gross	85 lbs.

TERMS APPLYING TO CATSUP AND CHILI SAUCE BOTTLES:

All catsup and Chili sauce bottles, delivered prior to Sept. 1, 1941 will be invoiced one-third Sept. 1, one-third, Oct. 1 and one-third, Nov. 1, 1941.

NET AMOUNTS due on Sept. 30, Oct. 30 and Nov. 30, 1941. If invoices paid Sept. 10, Oct. 10 and Nov. 10, 1941, 1% Cash Discount applicable.

N/M

61275

14190

UTAH SCHEDULE — LIST NO. 2 — September 25, 1941

STANDARD LIGHT WEIGHT BOTTLES AS LISTED
FLUTED SHOULDER JUICE BOTTLES (STIPPLED OR PLAIN)
FLUTED VINEGARS
RING SHOULDER JUICE BOTTLES
PECTIN BOTTLE

THESE BOTTLES AS LISTED TO BE USED FOR:
JUICE, SYRUP, OLIVE, COOKING,
OR SALAD OIL, VINEGAR
OR PECTIN

Cap.	Max. Wt.	Max. Ht.	Bottles per Carton	CONTRACT BUYERS S/C	CONTRACT BUYERS CRC #113	CONTRACT BUYERS CDC #13	LARGE BUYERS S/C	LARGE BUYERS CRC #113	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #113	STANDARD BUYERS CDC #13	Weight PER Gross
6 oz.	6 oz.	6"	2 doz.	2.84	3.11	3.02	3.09	3.39	3.29	3.36	3.69	3.58	64#
			3 doz.	--	3.04	2.94	--	3.31	3.20	--	3.61	3.49	63#
			4 doz.	--	2.96	2.85	--	3.22	3.10	--	3.51	3.38	63#
			6 doz.	--	2.95	2.84	--	3.21	3.09	--	3.50	3.37	62#
8 oz.	6-1/2 oz.	6-5/8"	2 doz.	--	3.59	3.49	--	3.91	3.80	--	4.26	4.14	73#
			3 doz.	--	3.53	3.41	--	3.84	3.71	--	4.19	4.04	71#
10 oz.	7-3/8 oz.	6-7/8"	2 doz.	--	4.02	3.85	--	4.38	4.19	--	4.77	4.56	83#
12 oz.	9-3/4 oz.	7"	1 doz.	--	4.45	4.29	--	4.84	4.66	--	5.27	5.07	102#
			2 doz.	--	4.27	4.15	--	4.64	4.51	--	5.05	4.91	98#
16 oz.	12-3/8 oz.	7-5/8"	½ doz.	--	5.78	5.62	--	6.29	6.12	--	6.85	6.67	122#
			1 doz.	--	5.29	5.18	--	5.75	5.63	--	6.26	6.13	120#
			2 doz.	--	5.09	4.97	--	5.54	5.40	--	6.03	5.88	117#
20 oz.	12-3/4 oz.	8-1/4"	1 doz.	--	6.08	5.85	--	6.62	6.37	--	7.21	6.94	124#
24 oz.	13-3/8 oz.	8-1/2"	1 doz.	--	6.31	6.08	--	6.87	6.61	--	7.48	7.20	135#
			2 doz.	--	6.18	5.95	--	6.73	6.47	--	7.33	7.04	132#
32 oz.	19-5/8 oz.	9-5/8"	1 doz.	--	7.65	7.43	--	8.31	8.07	--	9.04	8.78	185#

105 OZ. BOTTLE AS LISTED

	LARGE BUYERS #117	LARGE BUYERS #113	LARGE BUYERS #17	LARGE BUYERS #13	STANDARD BUYERS #117	STANDARD BUYERS #113	STANDARD BUYERS #17	STANDARD BUYERS #13	
1/3 doz.	13.98	13.65	--	13.03	15.18	14.81	--	14.13	368#
1/2 doz.	13.77	12.99	13.39	12.71	14.95	14.09	14.53	13.78	360#
1/2 doz. (1 pad)	--	13.16	13.55	--	--	14.28	14.71	--	360#

Maximum Weight - 32½ oz.
Maximum Height - to parting line 9-1/2"
We strongly recommend the #113 style packing although if the packer feels this packing inadequate, we suggest the 1/2 doz. #113 style case WITH BOTTOM PAD. NOTE: #117 case is case body, liners and scored pieces to form cells.
#113 case is case body, liners and full height partitions. (N/M)

UTAH SCHEDULE

September 29, 1941

LIST No. 3

ALL HEAVY WEIGHT SYRUP, JUICE, OIL, VINEGAR AND ALL SALAD DRESSING BOTTLES.

NOTE: Refrigerator Flasks - add 25¢ per gr. to prices shown below (No upcharge for Decanter style bottles).
NOTE: Those packing oil and vinegar quote contract buyers price for carload buyers.

Capacity	Max. Blow. Weight	Bottles per carton	CONTRACT BUYERS S/C	CONTRACT BUYERS CRC #113	CONTRACT BUYERS CDC #13	LARGE BUYERS S/C	LARGE BUYERS CRC #113	LARGE BUYERS CDC 13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #113	STANDARD BUYERS CDC C13	Weight per Gross
1 oz.	2½ oz.	1 doz.	-	-	-	1.70	2.41	2.30	1.96	2.64	2.52	20
		2 doz.		THE			2.35	2.23		2.58	2.44	19½
		3 doz		LOWEST			2.28	2.16		2.50	2.37	18½
1½ oz.	3½ oz.	1 doz.		PRICE		2.00	2.62	2.50	2.19	2.87	2.74	27
		2 doz					2.56	2.44		2.80	2.67	26
		3 doz		IS			2.48	2.38		2.71	2.60	25
				THE								
				LARGE								
2 oz.	4.oz.	1 doz				2.17	2.79	2.67	2.37	3.05	2.92	32
		2 doz.		BUYERS			2.72	2.61		2.98	2.85	31
		3 doz.					2.65	2.55		2.90	2.79	30
				PRICE								
3 oz.	5.oz.	1 doz.				2.51	3.01	2.88	2.74	3.29	3.15	46
		2 doz.					2.96	2.85		3.23	3.11	45
		3 doz.					2.88	2.77		3.14	3.02	44
4 oz.	6 oz.	1 doz.	2.70	3.19	3.09	2.94	3.47	3.36	3.20	3.78	3.66	63
		2 doz.		2.94	2.83		3.20	3.08		3.49	3.35	62
		3 doz.		3.38	2.77		3.13	3.01		3.41	3.28	61
5 & 6 oz.	8 oz.	1 doz.	3.41	3.78	3.67	3.72	4.12	4.00	4.05	4.49	4.36	70
		2 doz.		3.66	3.54		3.99	3.86		4.35	4.21	69
		3 doz.		3.57	3.47		3.89	3.78		4.24	4.12	68
		4 doz.		3.52	3.40		3.84	3.70		4.19	4.03	67
8 oz.	9 oz.	1 doz.	3.77	4.14	4.04	4.10	4.50	4.39	4.46	4.90	4.78	93
		2 doz.		4.00	3.89		4.35	4.23		4.74	4.60	91
		3 doz.		3.92	3.81		4.26	4.14		4.64	4.51	89 N/M

61277

UTAH SCHEDULE

LIST NO 3 (cont'd) September 25, 1941

ALL HEAVY WEIGHT SYRUP, JUICE, OIL, VINEGAR AND AL SEMI-WIDE MOUTH AND NARROW MOUTH FRENCH DRESSING BOTTLES

NOTE: Refrigerator Flasks - Add 25¢ per gross to prices shown below (no upcharge for Decanter style bottles)
NOTE: Those packing Oil and Vinegar quote Contract Buyers prices for Carload Buyers.

Capacity	Max. Blow. Weight	Bottles per Carton	CONTRACT BUYERS S/C	CONTRACT BUYERS CRC #113	CONTRACT BUYERS CDC #13	LARGE BUYERS S/C	LARGE BUYERS CRC #113	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #113	STANDARD BUYERS CDC #13	Weight per Gross
10 oz.	10½ oz.	1 doz.	4.40	4.93	4.83	4.87	5.36	5.25	5.30	5.84	5.72	108#
		2 doz.		4.70	4.59		5.11	4.99		5.56	5.43	106
		3 doz.		4.63	4.53		5.04	4.93		5.49	5.37	104
12 oz.	12 oz.	1 doz.	5.09	5.45	5.28	5.53	5.93	5.74	6.02	6.46	6.25	124
		2 doz.		5.33	5.15		5.80	5.60		6.31	6.09	120
14 oz.	13 oz.	1 doz.	5.41	5.92	5.67	5.87	6.43	6.16	6.38	6.99	6.70	147
		2 doz.		5.66	5.47		6.15	5.94		6.69	6.45	145
16 oz.	15 oz.	1 doz.	5.72	6.22	5.98	6.21	6.76	6.49	6.75	7.35	7.05	157
		2 doz.		5.96	5.76		6.47	6.25		7.03	6.79	154
18 oz.	16 oz.	1 doz.	6.40	7.26	6.99	6.95	7.89	7.60	7.55	8.59	8.27	169
		2 doz.		7.05	6.87		7.66	7.47		8.34	8.13	165
20 oz.	18 oz.	1 doz.	7.23	7.52	7.35	7.85	8.17	7.98	8.53	8.88	8.67	189
22 oz.	19 oz.	1 doz.	7.52	7.80	7.64	8.16	8.46	8.29	8.86	9.19	9.00	210
23-26 oz.	22 oz.	1 doz.	7.95	8.30	8.07	8.61	9.00	8.75	9.34	9.77	9.49	238
27-32 oz.	24 oz.	1 doz.	8.73	9.29	8.85	9.46	10.08	9.59	10.26	10.94	10.41	261

61278

N/M

UTAH SCHEDULE

LIST NO. 4

STANDARD LIGHT WEIGHT JUGS - AS LISTED

September 25, 1941

Cap.	Maximum Blowing Weight	Max. Height	Bottles per Carton	CONTRACT BUYERS S/C	CONTRACT BUYERS C&C #113	CONTRACT BUYERS CDC #13	LARGE BUYERS S/C	LARGE BUYERS C&C #113	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS C&C #113	STANDARD BUYERS CDC #13	Per Gr.
1½ oz.	2 oz.	4"	1 doz.	1.75	2.20	2.09	1.92	2.41	2.29	2.10	2.64	2.51	14⅞
			2 doz.		2.07	1.95		2.27	2.14		2.49	2.35	13⅞
			3 doz.		2.02	1.90		2.22	2.08		2.44	2.28	12⅞
2 oz.	2½ oz.	4-3/8"	1 doz.	1.85	2.30	2.19	2.03	2.52	2.40	2.22	2.76	2.63	19⅛
			2 doz.		2.19	2.08		2.40	2.28		2.63	2.50	18⅛
			3 doz.		2.11	1.99		2.31	2.18		2.53	2.39	17⅛
3 oz.	3½ oz.	4-7/8"	1 doz.	2.22	2.67	2.55	2.42	2.92	2.78	2.64	3.19	3.04	40⅛
			2 doz.		2.53	2.42		2.76	2.64		3.02	2.88	39⅛
			3 doz.		2.48	2.37		2.71	2.59		2.96	2.83	38⅛
4 oz.	4½ oz.	5-1/4"	1 doz.	2.40	2.97	2.86	2.61	3.24	3.11	2.84	3.54	3.39	50⅛
			2 doz.		2.83	2.72		3.09	2.97		3.37	3.24	49⅛
			3 doz.		2.75	2.65		3.00	2.89		3.27	3.15	48⅛
6 oz.	6 oz.	6"	1 doz.	2.80	3.37	3.26	3.05	3.68	3.56	3.32	4.02	3.89	57⅛
			2 doz.		3.26	3.15		3.56	3.43		3.89	3.74	56⅛
			3 doz.		3.18	3.06		3.47	3.34		3.79	3.64	55⅜
8 oz.	8-1/8 oz.	6-1/4"	1 doz.	3.30	3.93	3.81	3.59	4.28	4.15	3.91	4.67	4.52	75⅛
			2 doz.		3.81	3.70		4.15	4.03		4.52	4.39	74⅛
			3 doz.		3.73	3.61		4.06	3.93		4.43	4.28	73⅛
10 oz.	8½ oz.	6-3/4"	1 doz.	3.88	4.50	4.38	4.22	4.90	4.77	4.60	5.34	5.20	86⅛
			2 doz.		4.36	4.25		4.75	4.63		5.18	5.05	84⅛
			3 doz.		4.29	4.18		4.67	4.55		5.09	4.96	82⅛
12 oz	9½ oz.	7-1/4"	1 doz.	4.17	4.74	4.62	4.53	5.16	5.03	4.93	5.62	5.48	101⅛
			2 doz.		4.61	4.51		5.02	4.91		5.47	5.35	100⅛
14 oz.	11 oz.	7-1/2"	1 doz.	4.96	5.46	5.35	5.39	5.94	5.81	5.86	6.46	6.32	129⅛
			2 doz.		5.28	5.17		5.74	5.62		6.24	6.11	127⅛
16 oz.	13-3/4oz.	7-3/4"	1 doz.	5.40	5.68	5.57	5.86	6.17	6.05	6.37	6.71	6.58	138⅛
			2 doz.		5.49	5.36		5.96	5.84		6.48	6.35	136⅛
20-22 oz.	14 oz.	8"	1 doz.	6.23	7.02	6.79	6.76	7.63	7.38	7.35	8.30	8.03	165⅛
24 oz.	17½ oz.	8-1/2"	1 doz.	6.52	7.21	6.98	7.08	7.84	7.58	7.69	8.53	8.24	171⅛
			2 doz.		7.07	6.84		7.69	7.43		8.37	8.08	168⅛
32 oz.	20-5/8 oz.	9-1/2"	1 doz.	7.32	8.10	7.88	7.95	8.81	8.56	8.64	9.59	9.31	190⅛

N/M

September 25, 1941

UTAH SCHEDULE

LIST #5
ALL HEAVY WEIGHT JUGS

Capacity	Max. Blow. Weight	Bottles per carton	CONTRACT BUYERS S/C	CONTRACT BUYERS CRC #113	CONTRACT BUYERS CDC #13	LARGE BUYERS S/C	LARGE BUYERS CRC #113	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #113	STANDARD BUYERS CDC #13	Weight per Gross
1 oz.	2½ oz.	1 doz.	THE LOWEST PRICE			1.87	2.52	2.40	2.05	2.76	2.63	20#
		2 doz.				--	2.45	2.34	--	2.69	2.56	19#
		3 doz.				--	2.38	2.26	--	2.61	2.48	18#
1½ oz.	3½ oz.	1 doz.	IS THE LARGE BUYERS PRICE			2.09	2.74	2.62	2.28	3.00	2.87	27#
		2 doz.				--	2.67	2.55	--	2.92	2.79	26#
		3 doz.				--	2.60	2.48	--	2.85	2.71	25#
2 oz.	4 oz.	1 doz.				2.27	2.91	2.79	2.48	3.18	3.05	32#
		2 doz.				--	2.85	2.73	--	3.12	2.99	31#
		3 doz.				--	2.77	2.65	--	3.03	2.90	30#
3 oz.	5 oz.	1 doz.				2.62	3.15	3.03	2.86	3.44	3.31	46#
		2 doz.				--	3.09	2.97	--	3.37	3.24	45#
		3 doz.				--	3.00	2.88	--	3.28	3.14	44#
4 oz.	6 oz.	1 doz.	2.82	3.32	3.22	3.07	3.62	3.51	3.34	3.95	3.83	63#
		2 doz.	--	3.06	2.95	--	3.33	3.21	--	3.63	3.50	62#
		3 doz.	--	3.01	2.89	--	3.28	3.15	--	3.57	3.43	61#
5 & 6 oz.	8 oz.	1 doz.	3.57	4.01	3.89	3.89	4.37	4.24	4.24	4.77	4.63	70#
		2 doz.	--	3.81	3.69	--	4.15	4.02	--	4.53	4.38	69#
		3 doz.	--	3.72	3.61	--	4.06	3.93	--	4.43	4.29	68#
		4 doz.	--	3.67	3.55	--	4.00	3.87	--	4.36	4.22	67#
8 oz.	9 oz.	1 doz.	3.93	4.32	4.20	4.27	4.70	4.57	4.65	5.12	4.98	93#
		2 doz.	--	4.17	4.05	--	4.54	4.41	--	4.94	4.80	91#
		3 doz.	--	4.08	3.96	--	4.44	4.31	--	4.84	4.69	89#
10 oz.	10½ oz.	1 doz.	4.68	5.15	5.03	5.09	5.61	5.47	5.54	6.11	5.96	108#
		2 doz.	--	4.90	4.78	--	5.33	5.20	--	5.81	5.66	106#
		3 doz.	--	4.83	4.71	--	5.26	5.12	--	5.73	5.58	104#

61280

(R/M)

September 25, 1941

UTAH SCHEDULE

LIST NO. 5 (Continued)
ALL HEAVY WEIGHT JUGS

Capacity	Max. Blow. Weight	Bottles per carton	CONTRACT BUYERS S/C	CRC #113	CDC #13	LAWFUL BUYERS S/C	CRC #113	CDC #13	STANDARD BUYERS CRC	CDC 13	WEIGHT PER GROSS
12 oz.	12 oz.	1 doz.	5.29	5.68	5.51	5.75	6.18	5.99	[illegible]	[illegible]	[illegible]
		2 doz.	--	5.54	5.37	--	6.03	[illegible]	--	[illegible]	[illegible]
14 oz.	13 oz.	1 doz.	5.64	6.15	5.99	6.12	6.68	[illegible]	.69	[illegible]	[illegible]
		2 doz.	--	5.88	5.68	--	6.39	[illegible]	--	.35	6.71
16 oz.	15 oz.	1 doz.	5.94	6.48	6.21	[illegible]	7.04	[illegible]	7.01	7.[illegible]6	7.[illegible]0
		2 doz.	--	6.19	6.00	--	6.72	[illegible]	--	[illegible]	7.09
20 oz.	18 oz.	1 doz.	7.53	7.82	7.65	[illegible]	8.50	[illegible]	[illegible]	[illegible]	[illegible]
22 oz.	19 oz.	1 doz.	7.83	8.13	7.94	[illegible]	8.83	[illegible]	[illegible]	[illegible]	[illegible]
24-26 oz.	22 oz.	1 doz.	8.28	8.63	8.39	8.98	9.36	[illegible]	[illegible]	10.17	[illegible]
27-32 oz.	[illegible] oz.	1 [illegible]	[illegible]	9.66	9.20	9.84	[illegible]	[illegible]	[illegible]	11.38	[illegible]

(3/10)

UTAH SCHEDULE

LIST NO. 6

WORCESTERSHIRE BOTTLES

WITH CAPSEAT TO HOLD SHELL CORK AND GLASS STOPPERS

September 25, 1941

Capacity	Maximum Blow. Wt.	Bottles per carton	LARGE BUYERS S/C	LARGE BUYERS CRC #113	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #113	STANDARD BUYERS CDC #13	Weight per Gross
5 oz.	6½ oz.	4 dozen	4.09	4.14	4.00	4.84	4.90	4.73	60#
		3 dozen	--	4.20	4.04	--	4.97	4.78	
		2 dozen	--	4.30	4.12	--	5.08	4.88	
		1 dozen	--	4.36	4.20	--	5.17	4.97	
6 oz.	7½ oz.	4 dozen	4.59	4.65	4.51	5.42	5.49	5.32	83#
		3 dozen	--	4.72	4.56	--	5.57	5.38	
		2 dozen	--	4.80	4.65	--	5.67	5.49	
		1 dozen	--	4.87	4.71	--	5.75	5.56	
10½ oz.	11½ oz.	3 dozen	6.05	6.23	6.05	7.12	7.34	7.12	125#
		2 dozen	--	6.30	6.14	--	7.42	7.23	
		1 dozen	--	6.37	6.21	--	7.75	7.55	

IMPORTANT: Capacity of Worcestershire bottles is measured to base of neck.

#5 (FB 1351) Glass Stoppers .75 per gross

#7 Shell corks to fit #5 glass stoppers .15 per gross

LIST NO. 7

TALL BELL BOTTOM OLIVE OIL AND SALAD OIL BOTTLES

Capacity	Maximum Blow. Wt.	Bottles per Carton	LARGE BUYERS Service Cartons	LARGE BUYERS CRC #113	STANDARD BUYERS Service Cartons	STANDARD BUYERS CRC #113	Weight per Gross
1½-1-3/4 oz.	4 oz.	4 dozen	3.61	3.75	4.29	4.46	35#
		2 dozen	--	4.10	--	4.88	
2-2½ oz.	4½ oz.	4 dozen	3.86	3.99	4.59	4.74	40#
3½-4 oz.	6 oz.	4 dozen	5.14	5.40	6.11	6.42	55#
4½ oz.	7 oz.	2 dozen	5.46	5.65	6.48	6.71	65#
8 - 8½ oz.	10 oz.	2 dozen	7.28	7.52	8.63	9.04	95#
10 oz.		1 dozen	--	8.84	--	10.50	
12-12½ oz.	13½ oz.	1 dozon	10.02	--	11.86	--	115#
14½ - 15 oz.	15 oz.	1 dozen	10.84	--	12.84	--	150#
16 oz.	16½ oz.	1 dozen	11.40	11.93	13.49	14.13	170#

IMPORTANT: The capacity of all Olive Oil and Salad Oil bottles is measured to base of neck.

LIST NO. 9

HALF-GALLON ONE HALF GAL. AND GAL. FLINT OR AMBER, ROUND OR SQUARE, JUG SHAPE PACKERS WITH HANDLES

How Packed	Jugs Per Carton	LIST #1 33 oz. Weight or Less Large Buyers	Standard Buyers	Wt.Per Gross	LIST #2 36 oz. Weight or Less Large Buyers	Standard Buyers	Wt.Per Gross	LIST #3 Over 36 oz. Weight Large Buyers	Standard Buyers	Wt.Per Gross
CDC #13	12 or 15 ea.	12.41	13.47	324#	13.23	14.36	351#	14.23	15.44	396#
CDC #13	6 or 8 ea.	12.73	13.82	329#	13.54	14.70	356#	14.56	15.80	401#
CDC #17	6 or 8 ea.	13.48	14.64	345#	14.29	15.51	372#	15.30	16.60	417#
CRC #217	6 or 8 ea.	14.83	16.12	350#	15.65	17.01	377#	16.65	18.08	422#
CRC #113	6 or 8 ea.	13.18	14.31	357#	13.99	15.19	364#	15.01	16.29	409#

ONE GALLON		LIST #1 50 oz. Weight or Less Contract Buyers	Large Buyers	Standard Buyers	Wt.Per Gross	LIST #2 56 oz. Weight or Less Contract Buyers	Large Buyers	Standard Buyers	Wt.Per Gross	LIST #3 Over 56 oz. Weight Con. Buyers	Large Buyers	Standard Buyers	Wt.Per Gr.
CDC #13	12 ea.	15.40	16.66	18.05	506#	16.36	17.69	19.15	560#	17.25	18.64	20.17	605#
CDC #13	6 ea.	15.70	16.99	18.41	510#	16.66	18.02	19.51	564#	17.55	18.97	20.53	609#
CDC #13	4 ea.	16.29	17.63	19.11	519#	17.25	18.66	20.21	573#	18.15	19.63	21.25	618#
CDC #1	1 ea.	18.03	19.54	21.20	537#	18.99	20.56	22.29	592#	19.87	21.51	23.31	637#
1 Ea.(Non Test) Cs. 4 such to 200# test outer (65# limit)	4 ea.	20.35	22.07	23.97	566#	21.31	23.10	25.07	620#	22.21	24.07	26.11	665#
CRC #117 or CRC #217 (65# limit)	4 ea.	18.25	19.76	21.43	566#	19.21	20.79	22.53	620#	20.11	21.76	23.57	665#
CRC #117 (65# limit) 200# test packing throughout	4 ea.	19.04	20.62	22.36	590#	19.99	21.64	23.45	644#	20.89	22.60	24.48	689#
CRC #17	4 ea.	17.66	19.12	20.73	549#	18.62	20.15	21.83	603#	19.51	21.11	22.87	648#
CRC #217	3 ea.	20.80	22.55	24.47	601#	21.75	23.57	25.57	655#	22.65	24.53	26.60	700#
CRC #217	2 ea.	21.70	23.54	25.56	602#	22.66	24.57	26.67	656#	23.55	25.52	27.69	701#

For extra pads included in 1/2 gallon or 1 gallon cases, add the following: 1 pad add 20¢ Gr. 2 pads Add 40¢ gr.

LIST NO. 9 (Continued)

ONE HALF GALLON AND GALLON, FLINT OR AMBER,
ROUND OR SQUARE JUG SHAPE PACKERS WITH HANDLES

Add $1.50 per gr. for Half and One Gallon Packers with finishes wider than 70 mm.
*Add $3.00 per gr. for wire and wood bail handles regardless of the size of opening
*These are wire and wood bails and are wired permanently to neck of container.
There is no upcharge for large pitcher handle on Gallon or Half-Gallon Jugs.

NO UPCHARGE FOR FANCY JUGS

NOTE: All Buyers for resale (jobbers) must take 5 gross or more assorted or of one size in one delivery to obtain carload schedule.
Actual users to enjoy schedule price under which they qualify, that is, an established carload user is entitled to Carload Schedule, regardless of quantity shipped or ordered at one time.

TO MILK BOTTLE JOBBERS - Quote carload price less 5%.

48 oz. Decanter - plain or decorated, blown at a weight not to exceed 33 oz. quote N/M Half-Gallon Jug List #1. For Heavier Weight, quote Half-Gallon Jug List #2 or #3 according to weight.

ACTUAL CAPACITY (A.C.) WATER PACKERS
As per Eastern M. & M. Stock

Quote N/M Jug Schedule List #1 prices plus $1.00 per gross for half-gallons and $2.00 per gross for One Gallons.

DESCRIPTION OF CORRUGATED RESHIPPING CASES FOR HALF-GALLON AND ONE GALLON JUGS

#13 - Reg. Slotted Ctn. - 200# test c/w full height partitions of .009 D/F material.

#17 - Reg. slotted Ctn. - 200# test c/w individual scored pcs. of .009 D/F material.
#113 - Reg.slotted Ctn. 200# test c/w 1 D/F .009 liner & D/F .009 full ht. partitions.
#117 - Reg. slotted Ctn. 200# test c/w 1 D/F .009 liner and 1 D/F .009 scored piece around each bottle.

#217 Corrugated carton A.F.M. (all flaps meeting) 200# test c/w 1 D/F .009 liner and 1 D/F .009 scored piece around each bottle.

#1123 Regular Slotted Carton 200# test c/w 1 D/F .009 liner, 2 D/F .009 pads and D/F .009 full height partitions.

#1127 Regular Slotted Carton 200# test c/w 1 D/F .009 liner, 2 D/F .009 pads and 1 D/F .009 scored piece around each bottle.

#177 Regular Slotted Carton 200# test c/w 2 D/F .009 scored pieces around each bottle.

NOTE: The #117 and #177 box are the same package when used for 1 only 1 Gallon or Half-Gallon jug.
The #217 and #117 box are the same package when used for 4 only 1 Gallon or half-gallon jugs.

GOVERNMENT EXHIBIT No. 1731 C

September 22, 1941

8 copies	- Oakland		W. I. Cole	L. F. Sampson
17 "	- San Francisco		W. N. Hughes	W. H. Geiger
20 "	- Los Angeles		F. P. Wehe	D. Harnish
9 "	- Portland		F. Blanc	W. F. Baker
6 "	- Seattle		E. Marr	C.Donaldson
3 "	- Salt Lake City		A. Austin	H. Castner
3 "	- Fred L. Waldron	- Honolulu	E. L. Fraser	F. Southerland
2 "	- ditto	- Hilo	J. E. Humphrey	G. Brown
5 "	- East			

GENERAL PRICE SCHEDULE

Supplement No. 517

Attached are the following pages which cancel corresponding pages in their respective sections:

Pages 10 and 10-A N.M.

The following changes were made:

Page 10-A - Eliminated charges for gallons and half gallons packed tuck flap cases.

The packs now covered on page 10-A are the only packs that we are now in a position to supply.

We suggest that you make a notation on present pages 11, 12, 12-A & 12-B that the prices for packs listed there are only applicable to present stocks. On all new orders for 1/2 gallons and gallons you must specify one of the packs given on page 10-A.

J. E. Humphrey/cm

LIQUOR DIVISION

61285

14200

August 25, 1941

WORCESTERSHIRE BOTTLES
WITH CAPSEAT TO HOLD SHELL CORK AND GLASS STOPPERS

Capacity	Maximum Blow. Wt	Bottles per Carton	LARGE BUYERS S/C	LARGE BUYERS CRC #1123	LARGE BUYERS CDC #13	STANDARD BUYERS S/C	STANDARD BUYERS CRC #1123	STANDARD BUYERS CDC #13
5 oz.	6½ oz.	4 dozen	$ 3.76	3.81	3.67	$ 4.51	4.57	4.40
		3 dozen	--	3.87	3.71	--	4.64	4.45
		2 dozen	--	3.96	3.79	--	4.75	4.55
		1 dozen	--	4.03	3.87	--	4.84	4.64
6 oz.	7½ oz.	4 dozen	4.13	4.19	4.05	4.96	5.03	4.86
		3 dozen	--	4.26	4.10	--	5.11	4.92
		2 dozen	--	4.34	4.19	--	5.21	5.03
		1 dozen	--	4.41	4.25	--	5.29	5.10
10½ oz.	11½ oz.	3 dozen	5.36	5.54	5.36	6.43	6.65	6.43
		2 dozen	--	5.61	5.45	--	6.73	6.54
		1 dozen	--	5.88	5.72	--	7.06	6.86

IMPORTANT: Capacity of Worcestershire bottles is measured to base of neck.
#5 (FB 1351) Glass Stoppers .75 per gross
#7 shell corks to fit #5 glass stoppers .45 per gross

LIST NO. 7
TALL BELL BOTTOM OLIVE OIL AND SALAD OIL BOTTLES

Capacity	Maximum Blow. Wt.	Bottles per Carton	LARGE BUYERS Service Cartons	LARGE BUYERS CRC #1123	STANDARD BUYERS Service Cartons	STANDARD BUYERS CRC #1123
1½-1-3/4 oz.	4 oz.	4 dozen	3.42	3.56	4.10	4.27
		2 dozen	--	3.91	--	4.69
2-2½ oz.	4½ oz.	4 dozen	3.64	3.77	4.37	4.52
3½ - 4 oz.	6 oz.	4 dozen	4.84	5.10	5.81	6.12
4½ oz.	7 oz.	2 dozen	5.10	5.29	6.12	6.35
8 - 8½ oz.	10 oz.	2 dozen	6.76	7.10	8.11	8.52
10 oz.		1 dozen	--	8.32	--	9.98
12 - 12½ oz.	13½ oz.	1 dozen	9.22	--	11.06	--
14½ - 15 oz.	15 oz.	1 dozen	10.01	--	12.01	--
16 oz.	16½ oz.	1 dozen	10.46	10.99	12.55	13.19

IMPORTANT: The capacity of all Clive Oil and Salad Oil bottles is measured to base of neck.

61286

(W/M)

OCT 22 1941

THE FOLLOWING PACKS ARE THE ONLY ONES THAT WE ARE IN A POSITION TO SUPPLY. PRICES AND PACKS FOR ½ AND GALLON JUGS ON PAGES 11, 12, 12-A, AND 12-B ARE ONLY TO BE USED FOR EXISTING STOCKS. NO NEW ORDERS FOR PACKS OTHER THAN THE FOLLOWING WILL BE ACCEPTED.

LIST NO. 9

ONE HALF-GALLON AND GALLON FLINT OR AMBER, ROUND OR SQUARE, JUG SHAPE PACKERS WITH HANDLES

HALF-GALLON

How Packed	Jugs Per Carton	LIST #1 33 oz. Weight or Less Large Buyers	LIST #1 33 oz. Weight or Less Standard Buyers	LIST #1 Wt. Per Gross	LIST #2 36 oz. Weight or Less Large Buyers	LIST #2 36 oz. Weight or Less Standard Buyers	LIST #2 Wt. Per Gross	LIST #3 Over 36 oz. Weight Large Buyers	LIST #3 Over 36 oz. Weight Standard Buyers	LIST #3 Wt. Per Gross
CDC #13	12 or 15 ea	10.63	11.69	324#	11.30	12.43	351#	12.05	13.26	396#
CDC #13	6 or 8 ea	10.92	12.01	329#	11.58	12.74	356#	12.35	13.59	401#
CDC #17	6 or 8 ea	11.58	12.74	345#	12.24	13.46	372#	13.01	14.31	417#
CRC #217	6 or 8 ea	12.90	14.19	-	13.58	14.94	-	14.33	15.76	-
CRC #113	6 or 8 ea	11.33	12.46	337#	11.99	13.19	364#	12.76	14.04	409#

ONE GALLON

How Packed	Jugs Per Carton	LIST #1 50 oz. Weight or Less Contract Buyers	LIST #1 50 oz. Weight or Less Large Buyers	LIST #1 50 oz. Weight or Less Standard Buyers	LIST #1 Wt. Per Gross	LIST #2 56 oz. Weight or Less Contract Buyers	LIST #2 56 oz. Weight or Less Large Buyers	LIST #2 56 oz. Weight or Less Standard Buyers	LIST #2 Wt. Per Gross	LIST #3 Over 56 oz. Wt. Contract Buyers	LIST #3 Over 56 oz. Wt. Large Buyers	LIST #3 Over 56 oz. Wt. Standard Buyers	LIST #3 Wt. Per Gross
CDC #13	12 ea	12.62	13.88	15.27	506#	13.28	14.61	16.07	560#	13.92	15.31	16.84	605#
CDC #13	6 ea	12.89	14.18	15.60	510#	13.56	14.92	16.41	564#	14.20	15.62	17.18	609#
CDC #13	4 ea	13.44	14.78	16.26	519#	14.10	15.51	17.06	573#	14.75	16.23	17.85	618#
CDC #1	1 ea	15.07	16.58	18.24	538#	15.73	17.30	19.03	592#	16.37	18.01	19.81	637#
1 Ea (Non-Test) Cs. 4 such to 200# test outer (65# limit)	4 ea	17.24	18.96	20.86	566#	17.90	19.69	21.66	620#	18.55	20.41	22.45	665#
CRC #117 or CRC #217 (65 # Limit)	4 ea	15.14	16.65	18.32	566#	15.80	17.38	19.12	620#	16.45	18.10	19.91	665#
CRC #117 (65# Limit) 200# test packing throughout	4 ea	15.79	17.37	19.11	-	16.45	18.10	19.91	-	17.10	18.81	20.69	-
CRC #17	4 ea	14.64	16.10	17.71	549#	15.30	16.83	18.51	603#	15.95	17.55	19.31	648#
CRC #217	3 ea	17.49	19.24	21.16	601#	18.15	19.97	21.97	655#	18.80	20.68	22.75	700#
CRC #217	2 ea	18.39	20.23	22.25	602#	19.05	20.96	23.06	656#	19.69	21.66	23.83	701#

For extra pads included in 1/2 gallon or 1 gallon cases, add the following:- 1 pad .. Add 20¢ Gr. - 2 pads Add 40¢ gr.

(10-A) (N/M)

61287

[fol. 61288] GOVERNMENT EXHIBIT No. 1732

Memorandum of Owens-Hartford Commerce, December 8th, 1925 as to Present and Future Litigation

Present for the Owens Bottle Company: Messrs. W. J. Belknap, Carter and Krey.

Present for the Hartford-Empire Company: Messrs. Dorsey, Parham and Brown.

Present for both Companies: Messrs. Byrnes and Lawrence.

Mr. Belknap outlined three principal questions for discussion as follows:

1. Procedure in the pending Pittsburgh suit against Miller and the Miller Company on the Lott patents.

2. Bringing suit against some Miller user.

3. Bringing suit against some defendant other than users of Miller feeders.

The following decisions were reached as to the above questions:

Bringing Pittsburgh Suit

Suit against both Miller and Miller-Glass Engineering Company not to be dismissed.

Mr. Lawrence to withdraw his appearance as promptly and quietly as possible. Messrs. Belknap, Byrnes, Lawrence, Don Rose and McCallister to confer in Pittsburgh December 10th as to future procedure and particularly as to inviting Miller users to suggest their own patent counsel.

Suit not to be brought to trial until we have some more patents.

[fol. 61289] Suing Miller Users

No suit is to be brought against any Miller user until the "rotary" group of patents is issued, or at least the rotary plunger patent, which is expected to issue about February or March, 1926. When such patent or patents are issued suit is to be brought against some Miller user who employs a rotary plunger. Probably the Atlantic Bottle Company of Tarentum, Pa. is the best defendant for this purpose. The patents under which such suit is to be brought are

Steimer No. 1,564,909, Ferngren rotary bowl, if issued at that time, and the Soubier rotary plunger patent. The question of whether Lott shall be included in such a suit is deferred until the other patents are granted. The question as to whether Owens and Hartford shall bring separate suits against this Miller user or whether all of the patents shall be brought into the hands of one Company so as to be included in a single suit is also deferred.

Consideration to be given also to the question of including the Howard dividing block patent No. 1,553,819.

Bringing Suit Against Defendants Other Than Miller Users

It is agreed that notice shall be served immediately upon the Hazel-Atlas Company under the new Steimer patent No. 1,564,909 and that suit will be brought against Hazel-Atlas by the Hartford-Empire Company at the end of a period to be fixed in the notice, say thirty or forty-five days. In reaching this decision it was agreed by all present that it will be of great advantage if Hazel-Atlas is sued on other patents showing commercial feeders before the suit on the [fol. 61290] Steimer patent is brought to trial so as to take advantage of the "mosaic theory".

The following is a summary of the discussion leading up to the decisions noted above.

Pending Pittsburgh Suit

Mr. Lawrence says that the Miller Memorial Association seems to be dying. He learns from McCallister that the Miller users are fighting among themselves.

As to extricating Mr. Lawrence from the Pittsburgh suit, Mr. Lawrence says he has a written consent to his withdrawal signed by both defendants, and that Mr. McCallister wishes to withdraw also as he feels that the suit is now a moot case. Mr. Byrnes suggests that Miller select another attorney and that both Mr. Lawrence and Mr. McCallister withdraw. Mr. Belknap feels that if much is made of the withdrawal of counsel, some other attorney may come into the case and stir it up too vigorously. As to dropping or pressing the Pittsburgh suit Mr. Belknap gives his views, namely, that the suit as to the Engineering Company should be maintained. Discussion as to what to do about Miller and all agree that there is no difference between Miller personally and the Miller Glass Engineering Company as far

as dropping or maintaining the suit is concerned. On the question of whether the suit shall be dropped or not Mr. Belknap points out that the Miller users may possibly claim that our ownership of the Miller applications embodied in the Miller feeders gives them an implied license, [fol. 61291] thus attempting to induce the court to believe that the new suit is an after-thought desired for purposes of oppression. This "sympathy" plea of the Miller users is agreed by all present to be a difficulty which will be faced in any suit against any Miller user.

Mr. Byrnes discusses the results of dropping the suit on the one hand or maintaining it on the other and concludes that dropping the suit would help the Miller defendants in respect to their sympathetic defence which though still available to them would not be as strong if the suit is continued.

Mr. Belknap thinks that an active campaign of soliciting Miller users to take Hartford licenses ought to be started soon so as to account for any delay in bringing suits and to show that they have had a chance to come in and take licenses. Mr. Byrnes strongly believes in this.

Mr. Dorsey raises the question as to whether it is not advisable to press the Pittsburgh suit as well as keeping it alive in preference to bringing a new suit on the Lott patents against some other Miller user. He points out that intervention by the Miller users would be an advantage to us, and that if they do not intervene their sympathetic defence in the future will be weakened. Mr. Dorsey suggests that Messrs. Lawrence and McCallister both announce their withdrawal and that Miller call on his users to suggest new patent counsel to conduct the suit. General discussion of this during which it is suggested that Mr. Don Rose appear for Miller. Mr. Lawrence thinks that McCallister will stay in the suit if the suit is to be pressed. Mr. Dorsey thinks [fol. 61292] that if McCallister and Lawrence both withdraw it would look as though Miller is out of the suit entirely, therefore, that Mr. McCallister should be kept in the suit if possible. Mr. Brown suggests that the details of procedure in this regard be settled in Pittsburgh at a conference to which Mr. Rose and Mr. McCallister are to be invited and such a conference has been arranged subject to possible conflicting engagements of Mr. McCallister and Mr. Rose. It is the belief of those present at this conference that Mr. Lawrence should withdraw, that Mr. McCallister

should remain in the suit for the present, and that Miller should address a letter to the users of his feeders announcing that the suit is to be continued as a real fight and inviting them to protect their own interests by suggesting counsel to co-operate with or replace McCallister in defending the suit, at Miller's expense. Perhaps the Miller users will themselves prefer to have McCallister handle the defence.

In the course of this discussion about the Pittsburgh suit Mr. Byrnes says that Slick of the United States Glass Company is preparing to fight us. Mr. Lawrence says that Slick does not co-operate readily with others and Mr. Byrnes agrees to this. Mr. Byrnes has dropped a hint to Mr. Slick recently to the effect that it would be wise for the United States Glass Company to take a license, but that he believes Slick will not necessarily do what Mr. Byrnes suggests, but will look for his cheapest course, particularly in view of the fact that Mr. Slick has done much re-organizing in the United States Glass Company for the purpose of cutting costs and trying to build up the Company.

[fol. 61293] On the question of suing Miller users, it is agreed that the Western District of Pennsylvania is as good as any and that the best chance of success will be a suit centered around the group of "rotary" patents which are expected to issue shortly. Miller cannot be joined as a party defendant because he will not have committed any act of infringement after the issue of the "rotary" patents. Discussion as to the advisability of including Lott and Steimer. Mr. Byrnes points out that we will constantly be faced with a position between (1) the oppression theory, and (2) the mosaic theory. It appears to be the general opinion of all present that the defense on oppression must be faced in any event and that we may as well take full advantage of the mosaic theory according to which as many patents as possible will be treated as a group.

On the question of suing some defendant other than Miller users, Mr. Byrnes and Mr. Belknap feel that we had better wait awhile for new patents. Mr. Dorsey questions the advisability of complicating the suits with diverse patents. A suggestion was made that suit be brought promptly against Hazel-Atlas with motion for preliminary injunction based on the Patent Office interference proceedings. Mr. Byrnes says there is not enough chance of success to warrant such proceeding and all agreed that this suggestion be dropped so far as the preliminary injunction is con-

cerned. Mr. Dorsey is in favor of bringing this Steimer suit promptly. Messrs. Byrnes and Belknap object, and prefer that we get our ammunition together first. Mr. Dorsey points out the urgent necessity of doing something definite toward enforcing our rights in view of the attitude [fol. 61294] of the Hartford licensees. Mr. Carter points out that the advantage of the mosaic theory can be had by bringing suits if and when our patents issue and bringing the suits to trial together. All agree to this and it is definitely decided to notify Hazel-Atlas with a view to bringing suit on Steimer within the next month or two.

[fol. 61295] GOVERNMENT EXHIBIT No. 1733

October 9th, 1925.

Mr. R. D. Brown, c/o Hartford-Empire Company, P. O. Box 2121, Hartford, Conn.

MY DEAR BROWN:

I am in receipt of your favor of the 8th instant relative to the desire of Owens to have a license under all of our applications which have been involved in interference with Tucker & Reeves, together with a copy of the paper drawn up to accomplish this end, and requesting my views thereon.

1. I take advantage of this opportunity of noting that I first heard of the existence of this paper or its proposed execution when in Hartford last week. It was not among the papers which were considered in Columbus while I was there.

2. I have not a copy, and have never seen one, of the agreement which I believe was executed this spring in connection with the purchase of the United Bottle rights, fixing the rights of Owens as to inventions jointly purchased. I believe, however, that its purport is merely to see that Owens shall be regarded as contributing a one-half interest in the inventions covered by such purchase to the end that Owens shall be free to use the same upon the cancella- [fol. 61296] tion at the behest of the Government or otherwise of the General License Agreement.

3. If I am correct in the above understanding, the only point from which the proposed license need be approached

is from the standpoint of such eventual cancellation after suit or from the standpoint of a renunciation by Owens of the General License Agreement under Section 11 thereof. Inasmuch as under my understanding of the Agreement of March, Hartford owns a one half interest in such purchased inventions, Hartford is entitled to license thereunder without Owens' consent. This would seem to follow as a matter of law, but I do not know whether it is specifically provided in such Agreement.

4. The proposed arrangement with Owens to my mind may tend to create a situation in which it will be to the interest of the Owens Company to secure the cancellation of the General License Agreement. This would obviously be the case if the income of Hartford does not increase, and Owens' freedom of operation is by the Agreement curtailed.

5. If Owens, upon cancellation for any cause, has the right to use valuable features of Hartford's invention the contingency above named might easily happen. Owens has already the right to cancel under Section 11 and upon such cancellation to continue the use for itself and its named subsidiaries of its contributions. Upon cancellation of the Agreement by the Government, perhaps connived at and aided by Owens, they will be entitled not only to the rights for themselves and their subsidiaries, but to embark on a [fol. 61297] general licensing policy in conflict with Hartford.

6. I willingly concede that Owens, as a contributor of a large sum of money to the Tucker & Reeves deal, is entitled to have a half interest in such inventions as Tucker & Reeves may have made, considered as a part of their contributions, on which they should be able to freely proceed on the contingency of renunciation and cancellation, but believe that the drafted agreement gives Owens rights to which they are not entitled in equity.

7. As to the number of the interference counts listed for license there can be no question of priority. The Interference No. 44,251 is ours without a shadow of a doubt, and Belknap himself has acknowledged this to Parham, and the same is true of No. 46,667 in which latter case we were filed before Tucker & Reeves ever met. In Interferences Nos. 48,326, 48,327, 48,328, 48,329, 48,330 and 48,447, as well

as 50,890 and 50,891, the issues have been held unpatentable. Something will come out of these claims, and as to them I think Owens is entitled to see that the Tucker & Reeves cases are not robbed. As to Interference 51,313 Tucker & Reeves never have been a proper party to that interference. There is a statutory bar against their application, and if we do not take it in one of our own personal cases, no one will get it, because Tucker & Reeves cannot possibly obtain a claim upon it. As to Interference No. 51,876 the Tucker & Reeves application involved is a patent and I think perhaps that there may be some force in protecting Owens as to it. Interferences 52,257, 52,258, 52,259 and [fol. 61298] 52,260 I am not very well acquainted with and there may be room for Owens' contention.

8. The most therefore that can be said for Owens is that they are entitled to see that as to some of the interferences, and as to the general subject-matter of others, they are not robbed of their birth right by our handling of the Tucker & Reeves applications. This protection can be given them by giving them the power to invoke, as to the Tucker & Reeves applications, the provision as to arbitration between conflicting inventions. Presumably when the several claims are taken up and ready to issue the lawyers can agree among themselves as to where they should go, as they have been able to agree heretofore. If not, the few remaining cases can be submitted to real arbitration.

9. Specifically I have an objection to the form of the license in that it purports to grant licenses under counts of certain interferences which will not be patented in the form recited. The question immediately arises as to the extent of such a license and how the line is to be drawn between the license under the unpatented statement of invention and the statement of the invention contained in claims subsequently issued. This will involve all kinds of questions of invention in the latter over the former and will be a fruitful field for our descendants to litigate.

10. Another specific objection I have to the license is that it grants Owens the full right of licensing under our main invention. This goes back to the point that it might make [fol. 61299] it to the advantage of the Owens Company to

connive at a suit by the Government to cancel the Agreement.

Yours very truly, (Signed) V. M. Dorsey.

VMD/rw.

[fol. 61300] GOVERNMENT EXHIBIT No. 1734

Memo to: Mr. F. G. Smith.
From: Mr. Brown.
Date: May 12, 1926.
Re: Owens-Hartford Relations as to Suction Feeders.

The developments now actively under way in Peiler's suction feeder and in O'Neill's suction feeder make it highly desirable that an understanding be had with Owens as to whether suction feeders are or are not "licensed inventions" under the contract of April 9, 1924.

There is enough doubt on this point to make it possible to argue reasonably on either side of the question. From Hartford's point of view it would seem preferable that suction feeders be outside of the field of "licensed inventions" because the Peiler suction feeder gives promise of being a successful revenue producer, and Owens will, of course, not share in the suction feeder profits unless suction feeders are "licensed inventions."

Owens, however, does not know of the prospective commercial success of Peiler's suction feeder and it may be that they are now willing to agree that suction feeders are not "licensed inventions."

The arguments for and against including suction feeders in "licensed inventions" may be summed up as follows:

1. Suction feeders are "licensed inventions" because the definition of licensed feeder inventions in Section 1 of the April 9 contract includes

"Inventions of apparatus for or methods of feeding molten glass * * * to forming machines, excluding, however, from this definition apparatus for, and methods of, raising glass by suction *into molds* as used on the Owens Suction Type of Machine."

The suction feeder charges molds with gobs of glass dropped into the molds and the glass is not raised *into molds* by suction. The glass is raised into a gathering cup by suction, but

the glass gets into the molds as freely dropped mold charges, as in the present Hartford feeders.

[fol. 61301] 2. Suction feeders should not be considered "licensed inventions" because the whole purport of the April 9 contract was to exclude suction as an agent in handling glass. The language "raising glass by suction into molds" is broad enough to include raising glass into a gathering cup by suction, because the gathering cup is itself a mold to the extent that it shapes the initial charge of glass into the desired form of gob.

Furthermore, the definition of forming machines in Section 1 of the April 9 contract limits licensed forming machine inventions to those which are usable with feeding apparatus and methods "other than said suction-raising methods." While the last quoted language may be interpreted to exclude any feeding methods where the glass is raised into the *molds* by suction, still it seems to emphasize the fact that all suction schemes were to be excluded from "licensed inventions."

I recommend that an understanding with Owens on this question be arrived at before they have a chance to learn of the possibility of commercially exploiting our suction feeder.

Patent Department, By R. D. Brown.

RDB:ERL.

[fol. 61302] GOVERNMENT EXHIBIT No. 1735

March 17, 1926.

Mr. J. F. Black, 601 Butler County Natl. Bank Building, Butler, Pa.

DEAR MR. BLACK:

We have just received a wire from Mr. Hunter, asking us to get word to you by Friday of this week as to the information desired on your trip to Zanesville.

The Kearns-Gorsuch Company at Zanesville and also at their plant at Barnestown or Barnesville, Ohio are understood to be using Hazel-Atlas plunger feeders. We are very anxious to get accurate information as to the construction and operation of these feeders. The several points outlined in our letter to you of February 8th will, we think, be a

sufficient guide for your information. If you can get as complete information about the Kearns-Gorsuch feeders as you got about the Obear-Nester, this will be very fine and will be much appreciated. It will probably not be necessary to go to Barnestown (if that is the name of the town where the other Kearns-Gorsuch plant is located), assuming that you are satisfied that the feeders at both plants are the same.

We are also very much interested in getting the same information about the feeders used by the Lamb Glass Company at Mt. Vernon, Ohio. These feeders are understood to be Miller feeders, operating with rotary plungers. Perhaps you will be able to visit the Lamb plant as well as the Kearns-Gorsuch plant, and we think it highly advisable that you do so.

[fol. 61303] We have already notified both Kearns-Gorsuch and Lamb of our recently issued patents, and, therefore, we suspect that you will not find it very easy to get into these plants. However, since you had such good success at Obear-Nester, we hope that you will be able to do the same at these plants.

Very truly yours, Hartford-Empire Company, Patent Department, by R. D. Brown.

RDB: ERL.

(Here follow two photolithographs, side folios 61304 and 61305)

GOVERMENT EXHIBIT No. 1736

HARTFORD-EMPIRE COMPANY

Glass Working Machinery

Licensees of Hartford-Fairmont Feeders and Automatic Machines Empire Machines Howard Feeders

HARTFORD, CONN.

Consulting Engineers

Special Machinery Developed

Cable Address EMBART

January 8, 1925.

Mr. H. H. Baker, Treasurer,
The Owens Bottle Company,
Toledo, Ohio.

Dear Mr. Baker:

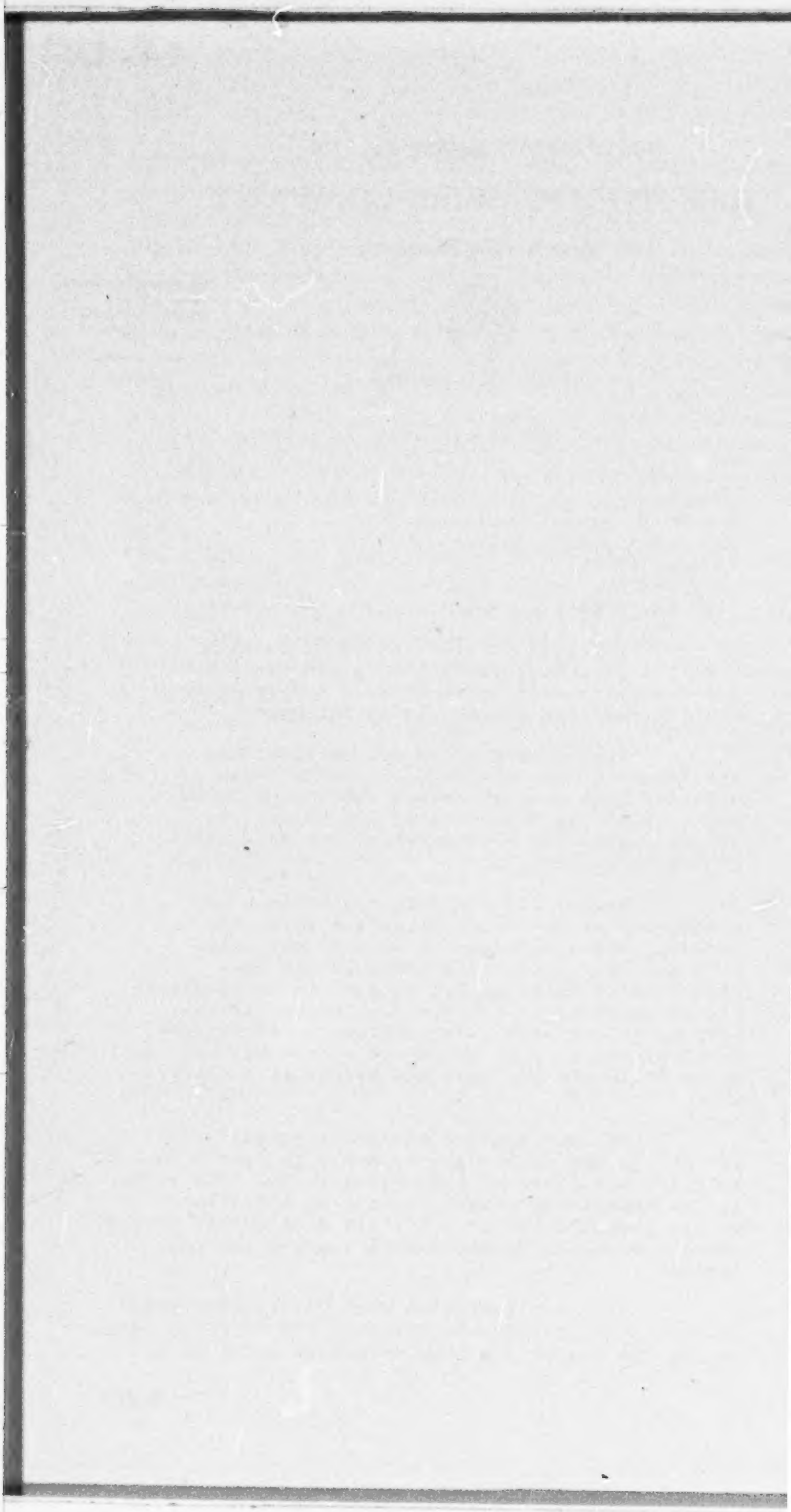
Replying to your letter of January 6th, the situation in regard to the two Paddle-Needle feeders under license and lease to the Obear-Nester Company is as follows:

These feeders are not in operation and Nester is now using in St. Louis seven or eight or nine single feeders which he himself built under the direction of Leo Coyne, who simply copied the Howard feeder and made one or two additions.

Nester has not paid his minimum royalties and we have brought suit against him covering these payments. We have not actually set the date of trial, due to the fact that Herbert Smith wished to get the price-fixing clause canceled in all our previous contracts. This has practically been completed, and Herbert Smith plans, as soon as he can spare the time, to go to St. Louis and push the matter to a conclusion.

In the meantime it develops that possibly one or two of Nester's patents on Narrow Neck machines may prove of some value to us. As soon as the Patent Department reports on the situation, we can probably settle our claim with Nester as far royalties on the Paddle-Needle feeders are concerned.

I do not know what your Patent Department would say as regards the advisability of suing Nester on the use of the single feeders which he is



now operating. Do not the Lott patents hold over this feeder just as much as they do over the Miller feeder? If so, it might be advisable for you to file suit against the Obear-Nester Company.

Be good enough to let me have your opinion on this matter, upon receipt of which I shall be glad to take it up with my people here.

I think the Illinois Glass Company would be very much pleased to see some action taken along these lines, as I understand Nester has been making unduly low prices in the Prescription field.

Yours very truly,

Goodwin Smith
Vice President.

FGS-A

61305

[fol. 61306] GOVERNMENT EXHIBIT No. 1737

April 20, 1926.

Messrs. Lehmann & Lehmann, Merchants-Laclede Bldg., St. Louis, Mo.

GENTLEMEN:

I thank you for your letter of the 15th instant replying to my telegram requesting the pleadings in the Obear-Nester case. I return Exhibit A herewith.

I want to make clear to you the existing situation so that you may use your discretion in handling it. We are just in course of starting a patent infringement suit against Obear-Nester and this will probably have considerable practical bearing on the case which you have been handling. We feel a good deal of confidence in our position in the patent case. As near as I can estimate, our patent counsel think we have at least three chances out of four of winning it and if we do, it will put out of business or render subject to royalty to us, all the feeders that Obear-Nester are using. They will then be in a position where they will either have to get a license from us for the infringing feeders and pay us a royalty or else discontinue their use and go back to the use of the feeders they licensed from us and as to which they are now in arrears on minimum royalties. We do not believe that they will face this position with much confidence and we doubt if they will feel that they want to go into the expense of patent litigation. The patent suit is based on patents which have just recently issued to us after a long period of interference and contest in the Patent Office.

[fol. 61307] Now what we want to do is to push these defendants as hard as we can in both directions. I am not particularly anxious to have you bring your suit to a trial at once, because there is, of course, an uncertainty in it, based on the Sherman Law question, but on the other hand, I would like to have you give that suit an appearance of activity and if in doing so, you get drawn into a position where you have to try it, I shall not be greatly troubled. Personally, I feel we have at least an even chance to win that case even against the Sherman Law defense and I further believe that the patent case will never be tried, but that as soon as it is started, there will be a movement toward adjustment and we shall insist in any such adjustment that

your case is also settled. Therefore, if there is any action you can take which will give the defendants the impression that we are about to push your case, I wish you would take it.

We have no particular desire to oppress the Obear-Nester Company, but on the other hand, their action in lying back and neglecting to pay minimum royalties for a considerable period and then finally alleging the total invalidity of the contract on the ground of the Sherman Law has left a very bad taste in our mouth and I don't propose, if possible, to let them get away with it.

I may add the further consideration that while they are now denying the validity of the original licenses, they still retain possession of the machines without raising the question of validity for a considerable period and I think something of a case can be made against them to the effect that they have established an implied contract as to these machines by their conduct, even though the written contract may have been void.

Yours very truly, —— ——, General Counsel.

HKS/LES.
Enc.

[fol. 61308] GOVERNMENT EXHIBIT No. 1738

August 15, 1928.

Mr. C. T. Milans, McGill Building, Washington, D. C.

DEAR MR. MILANS:

The last time I saw W. J. Belknap, he reminded me that we have not sent you copies of the printed briefs filed in the feeder suits.

I am sending you by accompanying mail copies of the three briefs which we have thus far filed, as follows:

Brief for Plaintiff in Hartford-Empire Co. vs. Obear-Nester.

Reply Brief for Plaintiff in the same case.

Brief for Plaintiff in Hartford-Empire Co. vs. Kearns-Gorsuch.

We do not have any extra copies of the defendant's brief in the Obear-Nester case, and I believe W. J. Belknap undertook to dig one up for you.

The defendant's brief in the Kearns-Gorsuch case is due September 1st, and I will see that you get a copy of it, as well as of the other briefs that will be filed from time to time.

We shall have to make some sort of a decision about the Tucker and Reeves' cases within the next couple of months. Our attorneys are more or less divided into two camps, one composed of Dorsey and Parham who are in favor of abandoning the effort to obtain broad claims for T. & R. on account of possible ill effects on Peiler's claims. The other camp is represented by C. B. Belknap who is in favor of endeavoring further to obtain broad claims for T. & R., his idea being that the T. & R. patents with broad claims will hamper the defendants in the feeder suits.

[fol. 61309] I myself am more or less on the fence in this matter, recognizing some force in both contentions.

To aid us in reaching a decision, I propose to obtain an opinion from Mr. Bartlett sometime in September, if possible, and will ask C. B. and Parham to submit their views to Mr. Bartlett. Thereafter, I suppose all hands ought to get together and come to some sort of an agreement, particularly on the T. & R. case that is due for argument before the Board in November.

Very truly yours, Hartford-Empire Company, Patent Department, by R. D. Brown.

RDB:LWR.

[fol. 61310] GOVERNMENT EXHIBIT No. 1739

March 18, 1932.

Tucker & Reeves Conference at Mr. Dorsey's Office, Washington, Tuesday, March 15, 1932

Present: Messrs. Dorsey, Carter, W. J. Belknap, C. B. Belknap, C. T. Milans, Parham, Bates and Brown.

The purpose of this conference was to review the allowed Tucker & Reeves applications and determine whether the final fees should be paid. The T & R applications considered were the following:

Ser. No. 120,429, filed Sept. 16, 1916. Hartford Case No. 1586. General Application on first T & R commercial machine.

Ser. No. 220,959, filed March 7, 1918. Hartford Case No. 1587. Application containing broad claims.

Ser. No. 752,378, filed Nov. 26, 1924. Hartford Case No. 1604. Shaping by temperature regulation.

Ser. No. 752,379, filed Nov. 26, 1924. Hartford Case 1605. Shaping by shear height selection.

Ser. No. 752,381, filed Nov. 26, 1924. Hartford Case 1607. Shaping by selection of starting position.

The conclusion of the conference was to pay the final fees on all of the above applications, except the "shear height" application, Ser. No. 752,379 (Case 1605).

It was decided to drop this "shear-height" application; first, because of possible bad effect on the broader T & R claims, and second, because of the possible bad effect on the Peiler "shear-height" patent No. 1,589,304, which is now involved in the Ohio litigation. Messrs. C. B. Belknap and Bates considered that no serious harm would result from issuing this patent. Mr. Milans was inclined to agree with this view, but did not feel sufficiently acquainted with the litigation to express a positive opinion.

[fol. 61311] The final fees in the temperature-regulating application and starting position application are due to be paid on April 26 and the final fees in the other two applications—120,429 and 220,959—are due to be paid on April 9. It was decided to pay the final fees in the first two cases on April 26, requesting deferment of the issue of the patents for three months in order that the patents may issue concurrently with another T & R application in which a decision was rendered recently by the Court of Customs and Patent Appeals. It was further decided to pay the final fees in the other two applications on April 9, with a similar request for deferment and then to bring out all four applications on the same date, together with the fifth T & R application just referred to.

The following are miscellaneous notes in connection with the other applications listed above in which the final fees are to be paid:

Ser. No. 120,429. It was decided to cancel claim 52 from this application, because the claim also stands in the Peiler "heated-hood" application of 1914. Possible amendments to some of the other claims were considered, but it was decided not to attempt any further amendment. It was noted

that some of the claims of this application may possibly be infringed by the pneumatic feeders of Ball Bros. and possibly Stuckey.

Ser. No. 220,959. This case received extensive discussion on account of the decision of the Board of Appeals and on account of the broad nature of the allowed claims. Consideration was also given to the possible effect of the issue of this application on the Peiler 1914 "heated-hood" application, and also the possible effect of the "heated-hood" application on the validity of the Tucker & Reeves claims. It was noted that the issued Peiler patent No. 1,264,328 was about the same as the "heated-hood" application so far as any effect on the T & R claims is concerned. It was also decided that the pending suit in the Supreme Court of the District of Columbia on Peiler's 1084 case should continue, so far as the T & R situation is concerned, and to review the situation after the Court decides what claims are patentable in the "heated-hood" application.

As to the Board's decision in this T & R application it was noted that the argument accompanying the amendment filed after the Board's decision removes the objection, which otherwise might be made, that the allowed claims are not substantially different from the claims held unpatentable by the Board. When the patent issues on this application, a public stenographer will be instructed to make copies of the file wrapper, thus delaying the access to the general public to this file wrapper.

[fol. 61312] *Ser. No. 752,378.* There was some discussion of cancelling claims 1 and 2, but it was finally decided to retain these claims with the others. All agreed that this application may be issued except Mr. Parham, who thinks the application should be dropped.

Ser. No. 752,381. It was noted that all claims, except claim 17, are limited to force supplied beneath the outlet. It was noted that this claim 17 might possibly be infringed by shear height adjustment, but it was decided that no amendment is necessary.

There was some discussion as to the possible effect on the temperature regulation and starting position cases of the fact that the original application from which these two cases were divided has been forfeited and not renewed. It was agreed that there is no defect in the divisional applications on this account, particularly as they were filed before the parent application was allowed.

[fol. 61313] GOVERNMENT EXHIBIT No. 1740

July 9, 1932.

Mr. Alexander D. Falck, Old Forge, New York.

DEAR MR. FALCK:

As I told you over the telephone Thursday evening, we then thought that our deals with Owens and with Hazel-Atlas were complete. Mr. McNash had definitely told Mr. Levis that he had no further demands and that he was ready to sign, subject to the approval of the contracts by Mr. John W. Davis.

Friday morning Mr. McNash threw a new complication into the deal, which I have outlined in my telegram to you this morning, a confirmation copy of which is enclosed.

Mr. McNash stated to Mr. Levis over the telephone that thus far he has been considering the Hazel contracts with Hartford, assuming that the Owens contracts with Hartford would be substantially the same and that he had noted a difference, unsatisfactory to him, between the Owens and Hazel contracts in respect to the reduction of the respective participations of Hazel and Owens in the event that glassware is made over the agreed limit of one-fifth by the use of non-licensed apparatus.

[fol. 61314] This was no new discovery on the part of Mr. McNash, because the situation had been thoroughly explained to him by Mr. Levis and Mr. Smith, and he had agreed that there should be a difference between the Hazel situation and the Owens situation. This was because Owens is a suction house while Hazel is not. Therefore, it was considered that Owens is entitled to manufacture by suction machines to any extent it desires, without affecting its participation in Hartford's divis-ble income, whereas Hazel's participation should be reduced if it uses non-infringing or non-covered apparatus, such as its stationary plunger feeder, beyond the agreed limit of 20%. On account of these considerations, the corresponding paragraphs in the Hazel and Owens contracts were written differently. As now expressed, the Hazel section reads as follows:

"In the event that Hazel-Atlas shall use, in lieu of Licensed Inventions relating to Feeders, any apparatus or method not embodying any such Licensed Invention, Hazel-Atlas shall pay no royalties upon glassware so pro-

duced; but if, in any calendar year, such production of glassware by Hazel-Atlas shall exceed one-fifth (1/5) of the total glassware produced during that year by Hazel-Atlas, then the payment by Hartford to Hazel-Atlas for that year under this Agreement shall be reduced by an amount equal to two-thirds (2/3) of the royalties which would have been payable (at the rates provided by Schedule C and any modifications thereof) on such excess production if such excess production had been manufactured by the use of Licensed Inventions relating to Feeders."

while the Owens section reads as follows:

"In the event that Owens-Illinois shall use, in lieu of Licensed Inventions relating to Feeders, any apparatus or method (other than apparatus for or methods of drawing glass by suction into molds) not embodying any such Licensed Invention, Owens-Illinois shall pay no royalties upon glassware so produced; but if, in any calendar year, such production of glassware by Owens-Illinois shall exceed [fol. 61315] one-fifth (1/5) of the total glassware produced during that year by Owens-Illinois (other than with apparatus for or methods of drawing glass by suction into molds), then the payment by Hartford to Owens-Illinois for that year under this Agreement shall be reduced by an amount equal to two-thirds (2/3) of the royalties which would have been payable (at the rates provided by Schedule C or any modification thereof) on such excess production if such excess production had been manufactured by the use of Licensed Inventions relating to Feeders."

Mr. McNash argued yesterday that unless Owens' participation in divisible income is affected by the extension of Owens' use of suction machines, Owens would be in a position, for example, to purchase a Hartford licensee, convert the production of that licensee from feeders to suction machines, and thereby reduce Hazel's participation in the divisible income which would have been derived from that licensee if the shift from feeders to suction machines had not been made. Therefore, McNash demanded that Owens agree, in substance, that its payment of royalties into the pool in the future should never be less than the production on Owens' present feeders, plus the production on any feeders which Owens might hereafter install or acquire through purchase of other concerns.

Owens was not willing to agree to this, but made the counter-proposal that they would enter into a "gentleman's agreement" with Hazel, to the effect that during the first two years of the proposed arrangement, the Owens feeder royalties at no time should be less than if the 20% provision were in force, as McNash wishes it to be enforced, namely, including suction; and second, that at no time during the life of the contract should the number of feeders operated by Owens be less than the number of feeders acquired by Owens subsequent to July 1, 1932. The latter offer was to take care of the possibility that Owens might acquire Hartford licensees and transform their production from feeder production to suction production.

[fol. 61316] This was not acceptable to Hazel. We then offered to ease the situation by agreeing to make both paragraphs of the contract identical, so that both would read like the Owens paragraph quoted above. The effect of this would be to permit Hazel to introduce suction machines without affecting its participation in the divisible income. We thought this was a reasonably safe offer to make, because Hazel is not likely to introduce suction to a large extent, because most of its production is unsuitable for manufacture by suction machines. This offer was transmitted to McNash, who declined because, as he said, the freedom to install suction machines without affecting his participation would be of no real value to him.

McNash also suggested that one way out of the difficulty would be for Hartford to consent to remove both of the above-quoted paragraphs from the contract. We did not agree to this and Levis told McNash that he did not think it was reasonable that we should agree to this.

This is where we stand now. I believe there are to be some conversations between Levis and McNash today and on Monday. I also believe that McNash may not make this a breaking point, because he refused to state to Levis on Friday that the deal is off unless Owens agrees to Hazel's present demands. However, it may well be that on Monday we shall be at such an impasse that Owens and Hazel will join in demanding that Hartford remove the above-quoted paragraphs. If that should happen, we shall ask for your views and I am writing to give you the situation in such

detail that you may be fully advised as to what has happened.

Very truly yours, Hartford-Empire Company, Patent Department, R. D. Brown.

RDB:ELJ
Enc.
cc. to Mr. Amory Houghton

[fol. 61317] GOVERNMENT EXHIBIT No. 1741

July 26, 1933.

Memo to: Mr. F. Goodwin Smith.

Re: F. R. Reed Company

I think the time has arrived when we ought to resume efforts toward getting Reed in as a licensee.

We have been holding off because we felt we might have to try this suit in order to fortify our position against Hazel-Atlas and make sure that Hazel would not have the right to withdraw after July 1934 with a free license under the Peiler plunger patent.

It now seems that no revision of the Hazel contract can be had within any reasonable time. It also appears to W. J. Belknap and me that there has already been so much delay in the prosecution of the Reed suit that we must either go ahead promptly in the fall, or else run a serious danger of being held guilty of such delay as would prevent us from enforcing the Peiler patent against Reed.

In making the choice between trying the suit and trying to get Reed in as a licensee, I favor the latter course, because I see no immediate prospect of a situation arising within the next few years that would make it worth Hazel's while to withdraw from its contract with us. It is wiser, I think, to run the chance of such a situation arising, rather than running the chance that we would take by putting the Peiler patent again in jeopardy, not that the Reed suit is any less favorable than it was, except for the lapse of time, but any law suit involves a risk, and now that we have over 90% of all plunger feeders under license, it seems a pity to take any risk at all in connection with the plunger patent.

It is true that if we deal with Reed and also deal with Nau, there will be no substantial concern left among the pirates using the plunger feeders, and if we ever want to try another suit against a plunger defendant, we may have a hard time trying to find such a defendant in a suitable circuit. However, if the time ever comes when it is to Hazel's advantage to withdraw from the contract, there will undoubtedly be plenty of infringers, and a new infringer will probably be better for our purpose than an old established firm like Reed.

[fol. 61318] In view of the above, I recommend that Mr. Amory Houghton be asked to proceed as soon as he conveniently can to see what can be done with Reed through Mr. Taylor.

——— ———.

[initials illegible]
cc. to Mr. Brown, Mr. Belknap, N. Y.

[fol. 61319] GOVERNMENT EXHIBIT No. 1742

Copy

Fish, Richardson & Neave, 20 Exchange Place, New York, N. Y.

May 24, 1934.

Robson D. Brown, Esq., Hartford-Empire Company, Hartford, Connecticut

DEAR MR. BROWN:

A man called to see me this afternoon who said that he was James L. Dalton, from the Department of Justice, and he showed me an identification card to that effect. He asked for information regarding the Hartford, Hazel and Owens license contracts and the litigation by Hartford against Hazel. I told him what he probably already knew, namely, that there were license contracts entered into between these concerns as of July 1, 1932, (and I also told him about the patent suits brought by Hartford against Kearns-Gorsuch and Hazel. He asked for copies of the license contracts and I said that Hazel did not feel free to give them to him without the consent of the other parties to the contracts.

I also told Mr. Dalton that you had communicated with me in October, 1933, after an inquiry at Hartford regarding Hartford licenses, and that it was then the position of the Hartford Company that it was unwilling to have its licensees, including Hazel, inform others, including the Department of Justice, concerning its license contracts with them.

Mr. Dalton asked me for the name of the Hartford-Empire counsel and I gave him yours, so that he may call upon you in the near future.

I am sending a copy of this letter to Mr. McNash.

Yours very truly, —— ——.

P:W.
cc J. H. McNash.

[fol. 61320] GOVERNMENT EXHIBIT No. 1745

Smith, Remster, Hornbrook & Smith, Attorney at Law,
1100 Hume-Mansur Building, Indianapolis, Indiana

February 6, 1933.

R. D. Brown, Esquire % Hartford-Empire Company, Hartford, Connecticut

DEAR MR. BROWN:

Will you be so kind as to send me an exact copy of the language in the licenses granted to the Capstan Glass Company and the Federal Glass Company, which have a bearing on their right to manufacture fruit jars? While I have no doubt that you have stated the substance of such provisions in Schedule C to the draft of contract, yet I would like to have a copy of the exact provisions of these licenses which bear upon this question.

Today I am having copies made of the draft of contract in the form to which it had developed at the end of our conferences, and will send copies to Messrs. Ball for their criticism. I will myself go over the same with care in order to make any corrections by way of clarification which may occur to me on careful re-reading.

I wish you would read carefully the opinions of the Supreme Court in the Sanitary Manufacturing Company case (*226 U. S.*) and in the Standard Oil case (*283 U. S.*), and consider the bearing of those parts of the opinions

which discuss the relation of the patent monopoly to the anti-trust statutes. I must confess I have very considerable concern over this question in the light of the position of the three licensees in the industry, and particularly the position of my client.

I want to express my great pleasure at the opportunity of being with you during the latter half of last week, and thank you for your courtesy.

Cordially yours, —— ——.

HHH:JH.

P. S. On re-reading the contract, I find there is no section 20 in Article III. Please advise if this is an omission or merely a mistake in numbering.

[fol. 61321] GOVERNMENT EXHIBIT No. 1746

February 14, 1933. 2155.

H. H. Hornbrook, Esq., Smith, Remster, Hornbrook & Smith, 1100 Hume-Mansur Building, Indianapolis, Indiana.

DEAR MR. HORNBROOK:

I have read the decisions of the Supreme Court in the Standard Sanitary case (226 U. S.), the Standard Oil case (283 U. S.) and some other cases, in relation to the proposed Ball Bros. license arrangement. I submit the following thoughts for your consideration:

1. The general principle as to what a patentee may and may not do in relation to the Sherman Anti-Trust Act is well stated by Chief Justice Taft in *U. S. vs. General Electric Co.*, 272 U. S. 476 at page 489, as follows:

"The patentee may grant a license to make, use and vend articles under the specifications of his patent for any royalty, or upon any condition the performance of which is *reasonably within the reward* which the patentee by the grant of the patent is entitled to secure."

[fol. 61322] 2. If a patentee has this right to obtain his reward by granting a license, no reason is apparent why he has not the further right to buy back that license if, in his judgment, he can dispose of it more profitably elsewhere.

3. If the patentee can both issue a license and buy it back for the purpose of selling it to someone else, he has the right to buy back part of it, as is proposed to be done by the Hartford-Empire Company in imposing limitations upon the production of domestic fruit jars by Hazel-Atlas and Owens-Illinois.

4. I take it there is no question that the proposed arrangement would be free from any question of legality if the Hartford-Empire Company had licensed originally the three companies in the manner now proposed; namely, for a limited production of domestic jars by Hazel and Owens, and an unlimited production by Ball. If the propositions stated above in paragraphs 2 and 3 are sound, and, therefore, the Hartford-Empire Company can legally repurchase a license, as well as sell it, then the transactions should be just as legal now as they would have been in the case of original issuance of the three licenses in the manner now proposed. I believe that the proposed arrangement is a reasonable endeavor by the Hartford-Empire Company to obtain a proper reward under its patent monopoly.

5. Of course, as the Supreme Court said in the Standard Oil case,

"The limited monopolies granted to patent owners do not exempt them from the prohibitions of the Sherman Act."

On the direct question as to whether the proposed arrangement will violate the Sherman Act by limiting the future right of the public to deal to an unlimited extent with the Hazel and Owens Companies, I draw a good deal of comfort from the decision in the General Electric case mentioned above. In that case, the General Electric Co. [fol. 61323] originally sold its lamps outright to jobbers who resold them to the general trade. When the agency sales plan was put in force, the jobbers gave up their right to buy from the General Electric Co. and sell at their own prices, and became sales agents for the General Electric Co. After becoming such agents, they no longer had the right to sell in such quantities and at such prices as they chose, but were limited by the General Electric Co. as to the quantity of lamps to be sold and the prices at which they could be sold.

A parallel may well be drawn between the position of the public in relation to the General Electric Co.'s agents and the position of the public in relation to the Hazel and Owens Companies under the proposed license arrangement. In both cases the ability of the public to purchase freely is restrained by the transaction in question.

The supposed hardship upon the public appears to be considerably greater in the General Electric case than in our case, because restrictions of price as well as quantity were involved. Yet the Supreme Court said, at 272 U. S. 484, 485:

"The circumstance that the agents were in their regular business wholesale or retail merchants, and under a prior arrangement had bought the lamps and sold them as their owners, did not prevent a change in their relation to the company."

It is true that the lamps being dealt with in the General Electric case were patented articles, but this was apparently not the controlling feature, because the Supreme Court said, at page 488:

"The owner of an article patented *or otherwise* is not violating the common law or the anti-trust act by seeking to dispose of his articles directly to the consumer and fixing the price by which his agents transfer the title from him directly to such consumer."

[fol. 61324] 6. As was said in New York, the possibility that future fruit jar competition may be restrained is at least offset by two other considerations; first, that the restraint is more theoretical than actual since the proposed limitations on the production of Hazel and Owens leave them free to manufacture as many jars as they have manufactured for years past; and second, that competition is increased rather than restrained by placing Ball in a position to manufacture domestic jars by the feeder method, thus giving the public assurance of another large source of such domestic jars in addition to Hazel and Owens. Whether or not the Hartford-Empire Company's claim of infringement by the Ball Company is accepted as well founded, there can be no doubt that if the Hartford and Ball Companies should try out the question of infringement there would be a period of years during which

the right of the Ball Company to make domestic fruit jars by the Feeder process would be at least doubtful, even if not suspended by injunction. Therefore, the interest of the public would seem to lie in having the Ball Company placed in quiet enjoyment of the right to make domestic jars by the feeder process and that this advantage to the public should, in the mind of the Court, outweigh any possible disadvantage arising from the inability of the public to purchase from Hazel and Owens more domestic jars than these companies have been able to sell in the past.

7. An adequate consideration moving to the Hazel and Owens companies for giving back to Hartford a portion of their domestic fruit jar licenses can be found in the fact that these companies obtain the advantage, by the proposed transaction, that the Ball Company is changed from an unlicensed competitor to a licensed competitor, not only in the field of domestic jars made by the feeder process, but in the general line of glassware made by that process.

8. In view of the above considerations, I believe that the Hartford Company is entirely justified in representing to the Owens and Hazel companies that it can obtain the Ball Company as a licensee, but only upon giving the Ball Company a larger measure of domestic fruit jar rights than the Hartford Company is now able to give, and thereupon agreeing with the Owens and Hazel companies [fol. 61325] that those companies will accept a restriction upon their domestic fruit jar rights. The public will be benefited in fact, at least as much as it may be harmed in theory, and the transaction appears to be clearly a reasonable transaction "necessary to protect the use of the patent"—to use the language of the Supreme Court in the Standard Sanitary case. In that case the patent was considered by the Supreme Court to have been a subterfuge playing a minor part in the whole transaction. In our case we have a real patent situation.

Very truly yours Hartford-Empire Company, Patent Department. R. D. Brown.

RDB:ELJ.

cc. to W. J. Belknap Waldorf-Astoria New York.

[fol. 61326] GOVERNMENT EXHIBIT No. 1747

Copies made for Messrs. Dorsey & Rule.

Sept. 9th, 1924. 1147-2

Mr. Calvin T. Milans, Clarendon Hotel, Virginia Ave., Atlantic City, N. J.

DEAR SIR:

Re: Headley & Thompson Interferences.

In accordance with your telephone conversation with Mr. Carter this morning, I am sending you copies of three papers which I have prepared tentatively for use in the Headley & Thompson cases.

We are in two interferences with Headley & Thompson. In both of them we are disposed to set up, as a ground for dissolution, the inoperativeness of the Headley & Thompson machine. Our engineers tell us that the cycle of operations disclosed in Headley & Thompson makes it impossible to make proper bottles because the blow mold is closed for too short a period to produce the necessary finishing blow.

This is an attack which may very likely turn out to be unsuccessful, because it would be very easy for Headley & Thompson to take out the ware at the fifth station instead of the fourth, in which case the machine would apparently be operative. However, there is sufficient to be said on both sides of the proposition to make it certain that an attack on this ground would be time-consuming and, of course, delay is what is wanted at the present time. In making this attack I have also thought of leaving out from the motion papers any specific allegation of defects in the Headley & Thompson machine, which will, doubtless, cause the Patent Office to call upon us for a statement of particulars, giving us at least two weeks more time.

All of the other grounds for dissolution set up in the enclosed tentative papers relate to matters of language and not to the patentability of the subject matter. This is in accordance with the policy adopted in Washington last July when, at Mr. Dorsey's suggestion, it was decided to make no attack on the Headley & Thompson claims based on prior art, the idea being that we will have a much better chance to use the prior art as a defense before a Court than we would have in the Patent Office.

Ground two of the motion in interference 48,582 alleges that Sears does not have a closure head as called for by the count and this ground seems to be well founded.
[fol. 61327] Grounds two and three of the motion set up that neither Sears nor Headley & Thompson have any automatic means for operating the neck mold for transferring blanks. In both Sears & Headley & Thompson the neck mold is stationary during the transfer and it seems a violent stretch of language to say that this constitutes an operation of the neck mold.

In the motion in interference 50,700, ground two, we cast a number of rather quibbling aspersions on the wording of the counts. These counts read as follows:

"1. In a glass working machine, the combination of a rotatable mold-carrying member, a plurality of rate of molds carried thereby, the molds of each set being movable into closed position around a common vertical axis, means for rotating the molds of one set, first to an inverted position to receive a charge of glass and then to a position to deliver a blank therefrom to a blow mold, successively operable means for blowing air first into one end of said mold while in inverted position and then into the opposite end, means for operating said blank-carrying molds, means for supporting the blank when the blank mold is open, means for moving the molds to the second set to receive the blank, and means for blowing the blank to finished form.

2. In a glass blowing machine, the combination of a series of mold-carrying elements rotatably mounted, pairs of molds carried thereby, face plates mounted on horizontal arcs carrying one of each pair of said molds, means for rotating said face plates to place the molds carried thereby in an inverted charging position and then to place said molds in position to permit opening of the same free of the blanks and closing of the other mold of the pair around said blanks, means effective at different times for blowing air into the opposite ends of said molds while in inverted position, means for supporting said blanks during the mold changing, and means for opening and closing said blank receiving molds, the respective pairs of molds closing around the same vertical axis."

Ground three of the motion in 50,700 is also of a more or less quibbling nature and sets up that Sears does not have

a series of mold-carrying elements rotatably mounted. Sears has pairs of molds and the molds are all carried by something but it is impossible to point out in Sears any one element which carries any pair of molds.

Our effort has been, in devising this motion, to present something that the Patent Office must entertain, which will take time to talk about and decide but which will not do any damage to the real subject matter of the claims.

[fol. 61328] We shall be glad to learn your ideas about these motions and we think it may be a good plan, as suggested in your telephone conversation this morning, for us to get together next Monday in your office to make final plans. The present instructions of the Hartford and Owens managers are to delay Byrnes in every possible way and to prevent him from carrying out a recent threat of his that he will file divisions of the Headley & Thompson applications and issue such divisions promptly. We have a number of schemes under way for heading off such divisionals, including possible public use proceedings and the provoking of as many new interferences as possible. One of our maneuvers to this end consists of filing a petition, copy of which is enclosed and demanding an interference between Sears and the second application of Headley & Thompson, 60,744. We are not in interference with that Headley & Thompson case, nor do we have access to it, except as Mr. Byrnes has given us copies of the drawings, specifications, and some of the claims. We apprehend that Mr. Byrnes will either try to issue the second Headley & Thompson case promptly or will file divisions of it and, therefore, we want to provide an interference to keep that case in the Office and give us access to it so that we may determine what divisionals, if any, we may look for. At the same time we do not want to offer claims for interference, which would be of any use to Headley & Thompson should they take them away from us, as they are most likely to do. Therefore, we have devised some claims on the overlap feature which we feel sure are invalid on account of the early Owens public use but which we are equally sure will be considered patentable by the Patent Office. You will, no doubt, recall that we succeeded in smoking out one of the Tucker & Reeves cases by means of a somewhat similar petition last fall.

Very truly yours, Hartford-Empire Company, by

——— ———.

RDB:MRL.

[fol. 61329] GOVERNMENT EXHIBIT No. 1748

Sept. 29, 1924. 1147-2

Mr. Henry W. Carter, The Owens Bottle Co., Toledo, Ohio.

Re: Headley & Thompson.

DEAR MR. CARTER:

I am sending you herewith a schedule of the various groups of claims now standing in the Headley & Thompson applications, with a note against each group as to the trap cases which are to be filed to head off the issuance of the several groups of claims.

The Graham and Miller application is the one which you have in hand, and the Dodge application is one that we are preparing to cover an old machine which was designed in 1910 or 1911, and which has a good disclosure of the funnel and blowhead combination, and also of the baffle plate for the counterblow. This Dodge machine has had a continuous history, and one of its descendants is now in commercial use at the Gayner Glass Works, Salem, N. J. This Dodge application will, therefore, be a basis for a delaying trap case, and also for proceedings based on prior inventorship by Dodge of the funnel-blowhead-baffle plate combination.

The Fredrick noted in the list of trap cases is the same Fredrick who has taken out a number of patents on valve mechanisms. It may be possible to file a Fredrick application, although we wish to avoid this if we can because Fredrick is apparently not too well disposed to help us, and also because he is under contract to assign his inventions to the Millville Machine Company.

Very truly yours, Hartford-Empire Company, Patent Department, by R. D. Brown.

RDB/erl.
Enc.

[fol. 61330] GOVERNMENT EXHIBIT No. 1749

May 20, 1925.

Lloyd T. Williams, Esq., Ohio Bldg., Toledo, Ohio.

DEAR MR. WILLIAMS:

Mr. W. J. Belknap has suggested, I understand, for our consideration here, the possibility of some arrangement

with the Miller Engineering Company and W. J. Miller, the Lynch Glass Machinery Company and the O'Neill Company (I don't know its exact name). This arrangement would look to some sort of an elimination of the patent disputes, but mainly, I think, toward a combination into single control of the Miller, Lynch and O'Neill forming machine businesses.

Now, I can see certain very decided advantages in some such deal. If it did nothing more than to put our present competitors like these into one group rather than into three, it would certainly simplify the situation. And if that group, while legally and financially separate, was, nevertheless, in friendly hands, this also would be an advantage.

But, of course, you and I have got to keep our friends out of jail and similar difficulties. We don't know very much yet about the details of this suggestion, but I thought it worth while to put it before you generally, pretty early in the game, so that you can have it in mind. Offhand, I should say that if it were handled in a certain way, it might be perfectly safe from a legal standpoint. Suppose, for instance, that these three concerns were bought up and amalgamated into one concern by outside financial interest; that neither Hartford nor Owens took any share in its stock and that then Hartford and Owens, holding certain important patents on forming machines, should make an ordinary licensing agreement with the new company for substantial [fol. 61331] royalties on those patents. And, of course, as part of this deal, we would dispose of the present feeder patent conflict. Such an arrangement seems to me, as far as Hartford or Owens is concerned, fairly free from legal objections. Of course, the new combination itself might possibly be attacked simply as a combination. That would depend in the first place on the way in which it was combined and in the second place, on the extent of its business, but I shouldn't regard that danger as very serious.

Please observe that this letter is very tentative and may be premature and mistaken. I am writing on very insufficient information. But I know that for my own part, when these germs first begin to grow, I like to watch the process from the start and not be called in as an undertaker after the victim has passed out.

Sincerely yours, —— ——.

HKS/LES

[fol. 61332] GOVERNMENT EXHIBIT No. 1750

June 16, 1933.

Mr. C. B. Belknap, Vice President, Owens-Illinois Glass Co., Toledo, Ohio.

DEAR BUN:

Parham writes a memorandum as follows:

"A very superficial consideration today permits me to answer your request to the following extent:

The Roirant machine advertised for sale in this country is not sufficiently described in the advertisement, nor have I as yet obtained sufficient information, to be fully assured whether or not we have patent dominance of the machine.

The basic Roirant patent in this country was filed March 20, 1924, which date is earlier than any date of our Arbeit patents. It is possible that the actual Roirant machine offered for sale embodies improvements over and above the early Roirant patents which may be covered by the claims of Arbeit patent 1,805,796."

The Arbeit patent referred to we thought would probably cover any improved operation of the Roirant machine and, if my memory serves me correctly, there are a number of Owens suction patents which cover this machine.

[fol. 61333] We have been so rushed here that we have not had time to really go into this matter.

By the way, have you had an opportunity to investigate the patent situation as regards the Ed Miller wide mouth machine?

I want to have Bill Levis feel that we are seriously interested in the Big program, that we will not procrastinate about it, but I can see where it will be absolutely necessary for us to take more time than he will think necessary.

The situation with the Special Machinery alone is one that is rather tender and complicated and one in which the Bank, as Trustee, will play a very important part.

Another matter has arisen in regard to the Lynch machine which adds strength to our position. However, I hope some definite progress will be made by the next time I see Bill in New York, which will be the 29th.

Yours very truly, —— ——, President.

FGS—C.

(Here follows 1 photolithograph, side folio 61334)

Form 1254

GOVERNMENT EXHIBIT No. 1751

OWENS-ILLINOIS GLASS COMPANY

INTRA-COMPANY CORRESPONDENCE

Pittsburgh Branch Office — October 24, 1934

Attention of — Mr. F. J.Solon, Toledo
cc Mr. E.F.Glacken, Toledo
cc Mr. R. L. Kane, New York

Subject — J. T. AND A.HAMILTON COMPANY
PITTSBURGH, PA.

C.P.Belknap

Subject glass company is selling milk bottles to the United Dairy Company, Ambridge, Pa., delivering by truck. Ambridge is located in Beaver County. My understanding is that Hamilton's contract with either Thatcher or Hartford-Empire does not permit them to sell milk bottles outside of Allegheny County, where the sale is made direct to user. The sale in question is made direct to user and not through

Form 134.

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Hamilton recently took this milk bottle account away from us by offering United Dairy Company a rather large piece of milk business which Hamilton in some way seemed to control.

We thought perhaps you might want to investigate this case which would appear to be a violation of contract by Hamilton.

Pittsburgh

R.M.Gardner/pcf

61334

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[fol. 61335] GOVERNMENT EXHIBIT No. 1752

Hartford-Empire Company, Hartford, Connecticut

December 26, 1934.

Mr. Amory Houghton, Corning Glass Works, Corning, New York.

Re: McKee Glass Company

DEAR MR. HOUGHTON:

Last Friday, I spent several hours with Maurice Smith and Donald Smith at Jeannette discussing feeders for heat-resisting glass. I am writing to give you a summary of that discussion.

The Smiths made the following statements as to their attitude and as to what arrangements they want to make. First, they realize that when the pyrex patents expire in 1936, it will be to their advantage, as well as to Corning's, to protect the heat-resisting glass field through the licensing of feeders. They also say that they would not blame Corning for being reluctant to extend feeder rights to them, but they point out that other concerns will start in to make heat-resisting glass after the patents expire, and they think that Corning should make some arrangement to hold the field as far as possible. Next, they say that they can "slop along" with feeders made according to expired patents, but that this would merely be inviting more competition and would probably not make any price arrangement feasible. Therefore, they prefer not to do this if they can avoid it.

They further said that their great difficulty is with competition from the Jeannette Glass Company, which is competing with unlicensed feeders on their general line of production, and is said to be preparing to go into the heat-resisting field as soon as the pyrex patents expire. Therefore, they say that the whole question of negotiating a license for the use of feeders on heat-resisting ware depends on our stopping Jeannette's use of unlicensed feeders. I told them that we have the Jeannette matter actively in hand and hope to be able to tell them something definite about Jeannette shortly.

The Smiths further said that they realize that certain items of heat-resisting ware should properly be reserved by Corning from any license that McKee might obtain, and mentioned among such items, insulators, bulbs and labora-

tory ware. They also seemed to agree that any item originated by Corning, or first placed on the market by Corning, might well be considered as Corning's exclusive property and not included in any license to McKee.

What seemed to be principally biting the Smiths in regard to restrictions on their manufacture of heat-resisting [fol. 61336] items was that they may originate some item not theretofore made of heat-resisting glass, or some such item might be brought to them by a designer, and in such cases, they do not want to be forbidden by Corning to make such items.

On the other hand, the Smiths seemed to concede that the same thing might happen on Corning's side, and they seemed to agree that if Corning should produce an article not theretofore made of heat-resisting glass and should wish to reserve to itself exclusive right to make such articles on feeders, such a restriction would be reasonable.

Maurice Smith said that he would like to negotiate a feeder license contract along the following lines:

(1) Corning exclusions, such as insulators, laboratory ware, bulbs, etc., to be agreed upon and the other items now being made of heat-resisting ware to be included in the McKee license.

(2) McKee to agree to maintain prices as provided in the existing Corning-McKee contract. (Note: This would probably have to be done by a "gentleman's agreement," if, as I assume, the McKee Company is not to be allowed to make any heat-resisting glasses on which there will be patents after 1936.)

(3) As to new items originated or first offered to the trade by Corning, McKee to have no rights.

(4) As to new items originated or first offered to the trade by McKee, such items to be added to the McKee license.

(5) As to new items originated by a customer—

(a) If the customer asks both Corning and McKee for quotations, Corning and McKee to agree to quote the same price and let the customer choose between them, such price to be fixed by whichever party files its price first.

(b) If the customer asks for quotations from Corning only or from McKee only, the other party to have the right

to make the item, but at the price quoted by the party to whom the customer originally applies.

Maurice Smith summarized their attitude by saying that McKee would like to continue the present set-up, with Corning and McKee protecting each other's prices, and that McKee would agree "within reasonable limits" to Corning holding exclusive rights.

[fol. 61337] I, on my part, tried to emphasize that the feeder license which I understand Corning is willing for McKee to have would take care of 90% or 95% of their whole volume of heat-resisting glassware, and that it ought certainly to be possible to find a reasonable way of taking care of the other 5% or 10%. They agreed as a general proposition that this was so, but again urged that they ought not to be prevented from making items of heat-resisting ware originated by them or brought to their attention by others before Corning has made such items. Also, they said that there are a good many items of heat-resisting ware that cannot be made profitably, except by automatic operation, and after the pyrex patents expire, this will be increasingly true, and that Corning needs McKee as much as McKee needs Corning.

The Smiths asked several questions to which, perhaps, fortunately, I did not know the answers, as follows—

1. Does Corning intend to allow any concerns, other than McKee, to have feeder licenses for heat-resisting ware?

2. Is Corning willing to continue, after the pyrex patents expire, the 10% price reduction which McKee has had in the past?

3. Does Corning intend to continue freight allowance to customers after the pyrex patents expire in 1936?

I told the Smiths that we at Hartford are very anxious to bring Corning and McKee together on this license matter, and that one of my objects in calling on them was to see if any "trading" points could be dug up which might help to get around the point which has heretofore prevented a deal, namely, McKee's demand for an unlimited field and Corning's unwillingness to grant such a field. One possible trading point developed in connection with the 10% price advantage which the Smiths say they have been enjoying in the past as an offset to Corning's national advertising. When this was first mentioned, Maurice Smith seemed to

have the idea that this 10% price differential would come to an end when the Corning-McKee contract expires in 1936. It then occurred to me that if Corning is willing to continue this 10% differential, or any part of it, it might appeal to the Smiths as being worth much more than the theoretical right to make imaginary new items of heat-resisting ware. The Smiths admitted that this 10% differential was very valuable to them, so I suggested to them, and am now suggesting to you, that consideration be given as to whether there is any acceptable basis on which such a price differential could be traded for the McKee demand for a nearly unlimited license field.

I also made the suggestion to the Smiths that it might be possible to work out an arrangement by which McKee could make all future new items, except only such items as Corning wants to keep for itself and not license to any other [fol. 61338] concern. This raised the question already mentioned as to whether Corning is likely to extend heat-resisting feeder rights to any concern other than McKee.

On the whole, I thought I made enough progress to justify suggesting a conference between you and the Smiths. They said they would be very agreeable to this, realizing, however, that there would be no use in making a license contract unless Hartford does something about the Jeannette Company, because the Jeannette Company is preparing to go into the heat-resisting field, and in fact has so advised some of its customers.

As a tentative date for a meeting, they suggested the latter part of the week of January 14th, or any time during the week of January 21st, and that the meeting be held in New York.

Very truly yours, Hartford-Empire Company, R. D. Brown.

RDB/PET.

[fol. 61339] GOVERNMENT EXHIBIT No. 1753

Copy

January 2, 1935.

Mr. R. D. Brown, Hartford-Empire Co., Hartford, Connecticut.

Subject: McKee Glass Company

MY DEAR COL. BROWN:

I have read your letter of December 26th with a good deal

of interest. Much of the current position of the Smiths is exactly the same as it was two years ago. All of that time we have been waiting for McKee to suggest named articles or lines of ware to be included in the feeder license, while Smith has continued to demand an unlimited license except for named exclusions.

I had a talk with Roger Eldred recently on this subject, and among other things brought out the desirability of clearing up the Kucera feeder situation before entering into any negotiations with McKee. This thought was expressed in our letter of November 25, 1932 addressed to Mr. Eldred. I know of course that it is believed that McKee would be unable to make much use of his exclusive Kucera rights on heat resisting glass articles without infringing Hartford patents, but it does seem only fair that McKee should definitely release his rights to Kucera as a consideration for a license from Corning under Hartford-Empire feeder rights for the heat resisting glass field.

It has never been clearly established as to just how far we can go in price control in the licensing of patented machinery to make unpatented articles. In any event, we know from many years experience with McKee that their ideas and ours on prices are very far apart, and there is constant difficulty under the two licenses that Corning has granted McKee in keeping that company in line on the provisions of the license, particularly with regard to prices and terms of sale.

There is one point I wish to make with regard to your letter in which you repeatedly refer to "pyrex patents". I [fol. 61340] think you understand there are two Sullivan-Taylor patents expiring in May 1936—one of them on ovenware and the other on a series of borosilicate glass compositions. "Pyrex" is a trademark that we have broadly applied both to glasses and articles falling within these patents and many others not falling under those patents. McKee is currently licensed under both of the Sullivan-Taylor patents, but it is only in connection with baking ware license that McKee is allowed a 10% differential in price. Therefore, so far as a new and broader license with McKee under feeder patents is concerned, there could be no possibility of extending the application of this price differential beyond baking ware; and I am not sure but that we would wish to remove the differential even in that line. Most of the articles that McKee makes under license from

us are of the semi-industrial type; and the customer desiring to bring out some new heat resisting glass article is very apt to apply for prices both to McKee and Corning. If there were a differential in price in favor of McKee, Corning would never get a nickel's worth of business. The sole reason for the price differential in the original baking ware license was the knowledge that the Sullivan-Taylor composition patent (under which McKee was not licensed for baking ware) gave to Corning the advantage of a better glass than McKee could make. With the expiration of the Sullivan-Taylor patents next year no such advantage will continue.

The questions that the Smiths asked you, as given at the top of page 4 of your letter, cannot be answered to them at this stage of negotiations, though, for your own information, I have discussed question #2; and will say as to question #1 that we certainly would not give McKee an exclusive license; and as to question #3 that our present freight-allowance plan on ovenware seems to be working out satisfactorily and we have no present plan of altering it.
[fol. 61341] I have not attempted to cover the subject of a possible feeder license to McKee in this letter in a logical or complete manner, but merely want you to know that there are a lot of difficulties in the way which in general appear to be the same difficulties which existed two years ago. While we are entirely willing to sit down and discuss matters with the Smiths, I doubt whether much will be accomplished at this time. At any rate I would suggest no earlier date than the week of January 21st so that Amory Houghton will have an opportunity of reviewing the subject on his return about January 16th.

Very truly yours, —— ——.

WHC:HC.

Copy

[fol. 61342] GOVERNMENT EXHIBIT No. 1754

Memorandum Re: Proposed Settlement

1. Neagle lehrs to be included in General Lehr Agreement January 1, 1938. Royalties to be paid by Thatcher as long as Neagle lehrs are used by Thatcher up to January 1, 1944.

2. Hartford to credit Thatcher with $20,000 to be used in purchasing any type of equipment from Hartford.

3. Time limit within which to use credit allowance to be not less than three years and presumably to extend until January 1, 1944.

4. Title to all Neagle lehrs to be transferred by Thatcher to Hartford as consideration for credit allowance.

5. Thatcher, however, to retain control of such lehrs including right to repair and/or replace parts at its own expense *de commission* or scrap when desired, without obtaining approval from Hartford.

6. Thatcher to have the right to build more Neagle lehrs and bring them in the General Lehr Agreement.

7. Title to Neagle lehrs to revert from Hartford to Thatcher as each of them is permanently put out of use by Thatcher.

October 15, 1937.

[fol. 61343] GOVERNMENT EXHIBIT No. 1755

Copies—Champeau

Northend

November 8th, 1937.

H. C. Mandeville, Chairman of the Board, Thatcher Manufacturing Company, Elmira, New York.

DEAR MR. MANDEVILLE:

At Mr. F. Goodwin Smith's request I enclose herewith in triplicate, drafts of the "Nagle Lehr Agreement" for your consideration. This draft is substantially the embodiment of your memorandum dated October 15th, 1937 entitled "Memorandum Re: Proposed Settlement", and that arrangement has been modified only in so far as the terms of our other contracts compel us to do so.

The two changes effect particularly paragraphs 5 and 7 of your memorandum. We have provided that you have the right (see page 4 of our draft) to repair or to replace parts of your lehrs as you see fit except in so far as these do not

represent substantial changes of the lehr as described. A specific provision has been inserted permitting you to discontinue the use of the lehrs or to scrap them at any time. However, this is necessarily subject to our standard provision to the effect that if the discontinuance or scrapping occurs prior to January 1, 1944 that minimum royalties will be payable.

I understood Mr. Smith to say, with reference to your paragraph 7, that all Thatcher wished was the right to keep the proceeds from any scrap value of the lehrs. This we have covered on page 6 of our draft.

We should appreciate such criticisms as you care to make.

Very truly yours, Hartford-Empire Company,
Secretary.

A. T. Safford, Jr. SLC.

(Here follows 1 photolithograph, side folio 61344)

GOVERNMENT EXHIBIT No. 1756

FRANK C. BALL
PRES'L DENT
GEORGE A. BALL
VICE PRES'D DENT
WILLIAM H. BALL
SECRETARY
E. ARTHUR BALL
TREASURER
EDMUND F. BALL
ASST SEC'Y
FRED J. PETTY
ASST SEC'Y
A. H. BRACKEN
ASST TREAS.



FACTORIES AT MUNCIE, INDIANA

MUNCIE, INDIANA
GLASS WORKS
ZINC ROLLING MILLS
RUBBER MILLS
PAPER MILLS
METAL STAMPING MILLS
CORRUGATED BOX PLANT
WICHITA FALLS, TEXAS
SAPULPA, OKLAHOMA
OKMULGEE, OKLAHOMA
HUNTINGTON, WEST VA.
HILLSBORO, ILLINOIS
GLASS WORKS
NOBLESVILLE, INDIANA
EATON, INDIANA
STRAWBOARD MILLS





BALL BROTHERS COMPANY

FRUIT JARS, BOTTLES, ROLLED ZINC
PAPER, CORRUGATED PAPER BOXES, RUBBER PRODUCTS

CABLE ADDRESS BALLBRO
WESTERN UNION TELEGRAPH CODE

MUNCIE, INDIANA

April 18, 1939

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W J B
R M L
4/20/39

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Mr. R. D. Brown, Vice President
Hartford-Empire Company,
Hartford, Connecticut.

GOVERNMENT EXHIBIT No. 1756

FRANK C. BALL
GEORGE A. BALL
WILLIAM H. BALL
E. ARTHUR BALL
EDMUND F. BALL
FRED J. PETTY
A. M. BRACKEN



FACTORIES AT MUNCIE, INDIANA

MUNCIE, INDIANA
GLASS WORKS
ZINC ROLLING MILLS
RUBBER MILLS
PAPER MILLS
METAL STAMPING MILLS
CORRUGATED BOX PLANT
WICHITA FALLS, TEXAS
SAPULPA, OKLAHOMA
OKMULGEE, OKLAHOMA
HUNTINGTON, WEST VA.
HILLSBORO, ILLINOIS
GLASS WORKS
NOBLESVILLE, INDIANA
EATON, INDIANA
STRAWBOARD MILLS

BALL BROTHERS COMPANY

FRUIT JARS, BOTTLES, ROLLED ZINC
PAPER, CORRUGATED PAPER BOXES, RUBBER PRODUCTS

CABLE ADDRESS BALLBRO

MUNCIE, INDIANA



April 18, 1939

FGS
ATS
USB
RML
4/20/39

Mr. R. D. Brown, Vice President
Hartford-Empire Company,
Hartford, Connecticut.

Dear Mr. Brown:

We here in Muncie are somewhat disappointed because your letter of April 10th, addressed to Mr. McCallister, copy of which you sent to me, is so general in its terms that it hardly calls for anything more than a conference for the purpose of discussing a settlement agreement.

As Mr. F. C. Ball stated clearly in our last general conference, we feel we are entitled to reimbursement for over-payments of royalty and license fees which have been made to you, in the light of the more favorable basis upon which you have dealt with other of your licensees. We would like for you to be thinking of a settlement along these lines, rather than the very vague and general proposition outlined in your April 10th letter.

As you know, we are anxious to bring the present controversy to a definite conclusion, and we will appreciate your considering the matter further in the light of this letter and giving us your views as soon as it is conveniently possible.

Very truly yours,
BALL BROTHERS COMPANY

A. M. Bracken
Assistant Treasurer

AMB/c

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[fol. 61345] GOVERNMENT EXHIBIT No. 1757

Excerpts from H. K. S. Diary

July 29, 1931—(1) Discussed Owens Co., aspect of Nivison—W deal with FG & RDB.

(2) Henry Carter here.

[fol. 61346] GOVERNMENT EXHIBIT No. 1758

March 23, 1932. 1448

Mr. C. T. Milans, 908 G Street, N. W., Washington, D. C.

DEAR MILANS:

As Mr. C. B. Belknap telephoned you the other day, it seemed to us, after talking with Judge Haight, that we should by all means obtain deferment of the issue of the Tucker & Reeves patents on the two main cases after the final fees are paid on the 9th of April, even if it is necessary to abandon the two divisional cases in order to make sure that the deferment will be granted in the two main cases.

When I returned to Hartford, Mr. Bates called my attention to another Tucker & Reeves case which has been allowed and forfeited and which, it seems to us, can be made a perfectly good excuse for obtaining deferment of the two main Tucker & Reeves cases, even though the Patent Office might otherwise be reluctant to defer these cases, in view of the deferment of the divisional cases.

The allowed Tucker & Reeves case that we have in mind is Serial No. 193,972 (Hartford Case 1792), filed May 25, 1927 and allowed May 2, 1931. I am enclosing herewith our office [fol. 61347] file of this application. As you will see, it is a continuation in part of the Tucker & Reeves 1913 sliding gate application and also a continuation in part of the Tucker & Reeves Sept. 1916 application. The claims are mainly the allowed claims of the 1913 application, which could not be transferred to the Sept. 1916 application. The claims themselves do not amount to very much and our idea has been to allow the case to become abandoned, because in the feeder suits we have attacked the operativeness of the 1913 sliding gate apparatus and, therefore, claims based on

that apparatus would probably not have much strength in our hands. However, we see no particular objection to having this Tucker & Reeves divisional case issue in a patent.

It would seem that the two Tucker & Reeves "pups", in which the final fee is to be paid next Saturday, the 26th, could be properly deferred on the strength of the Tucker & Reeves case which we have called the fifth case, that is, the shear overlap case recently decided by the Court of Customs and Patent Appeals; and that we could then renew this sixth Tucker & Reeves case, Serial No. 193,972, get it reallowed shortly after April 9, and use that as a legitimate reason for deferring the issue of the two main Tucker & Reeves cases in which the final fees are due April 9.

At Mr. C. B. Belknap's suggestion, I am sending you these thoughts, together with the enclosed file wrapper, so that you may judge whether this newly discovered Tucker & Reeves division can be used to reasonably insure the deferment of the main Tucker & Reeves cases after the payment of the final fees in the two minor Tucker & Reeves cases next Saturday.

Our opinion is the same as before, that the two minor cases should be allowed to become abandoned, if, in your judgment, the payment of the final fees next Saturday would prevent deferment of the issue of the two main cases.

Very truly yours, Hartford-Empire Company, Patent Department, R. D. Brown.

RDB:ELJ

cc. to C. B. Belknap

[fol. 61348] GOVERNMENT EXHIBIT No. 1759

April 15, 1932. 1448

Mr. C. T. Milans, 908 G Street, N. W., Washington, D. C.

Re. Tucker & Reeves

DEAR MR. MILANS:

Thank you very much for your letter of April 14. We will keep you posted as to any decisions that may be rendered in the suits. Presumably all four Tucker & Reeves cases ought to be patented on the same day.

As to the Tucker & Reeves application Serial No. 193,-972 (H. E. Case 1792) it seems to us that the case had better be allowed to abandon on account of the rocks which we have thrown at its sliding gate shear structure in the feeder suits. No doubt the T & R 1913 disclosure will be thrown at us in future litigation and it would be embarrassing to have a patent issue to us on that disclosure, as the issue of such a patent would amount to an endorsement by us of the operativeness of that disclosure.

[fol. 61349] Therefore, unless some reason should appear between now and May 2, the date by which it must be revised if at all, we at Hartford are inclined to let the application drop.

Very truly yours, Hartford-Empire Company, Patent Department.

RDB:ELJ
Copy to Mr. C. B. Belknap

[fol. 61350] GOVERNMENT EXHIBIT No. 1760

Memorandum of Conference at Hartford, February 26, 1930, With Corning

Present: Goodwin Smith, Knox Smith, Curtiss, Brown, Parham, Green, Eldred and Safford.

399 Machine.

At the outset Hartford's position was set forth by Mr. Herbert Smith and Mr. Goodwin Smith that we desired that Corning should not have any rights at all in the J Field as to their own inventions and that the shop right which they have in the H or the paste mold field should not be transferable once in its entirety. Furthermore, Mr. Goodwin Smith explained that our people felt that in return for the Howard Auto-Blow patents, to which we attributed a definite value that Corning would have to show some value to what they were giving us. Mr. Goodwin Smith said that for our own satisfaction that we were probably going to submit to Mr. John Bartlett the question whether the Howard Auto-Blow patents underlay the 399 machine.

Mr. Brown, in the course of the meeting, suggested that the scope of the agreement should be sufficiently broad to

include inventions which arise out of the 399 developments regardless of whether they are used with the straight line ribbon feed machine. In place of the present suggested agreement set by Corning to us three other bases were proposed.

1. It was suggested that on Corning's side that the scope of what they gave to us should be defined either by the British patent covering the 399 or by such United States applications as Corning has pending. On Hartford's side we were to set forth certain patents and applications and Corning would get our inventions as disclosed in them.

2. The second suggestion was that the Corning machine should stand as defined as representing the inventions which should come to Hartford, but that Hartford, in estimating the inventions which should go to Corning, should make up a definition of a machine which would represent Hartford's probable future developments.

3. The third suggestion was made by Mr. Parham. In [fol. 61351] the first place he wishes to narrow the definition of the straight line ribbon feed machine; that Corning should convey to Hartford in Hartford's own fields rights for all inventions arising out of the 399 machine to date, for any use. Hartford, on its part, shall give to Corning for its own fields, all inventions, applications and patents belonging to Hartford and existing as of the present time.

Mr. Curtis said that, as an individual, he would consider the general proposition that Corning should have no rights for the J field. Furthermore, if I understood him correctly, he said that what was laid down as a general proposition in regard to the fields of ware for this 399 agreement would operate as a precedent for our future agreements pending toward a general consolidated exchange. He also stated that the idea of values in the mutual exchange had not been considered by them as he felt that this was just a step toward the general exchange of inventions. In regard to the H field he stated that Corning wished to retain rights there as a protective measure in order that at some future time they might use it as a club against certain of their competitors. Various half-way measures were proposed whereby Hartford would be protected in case Corning should transfer its right in the paste mold field to a person

adverse to Hartford's interest. It was suggested that some division of the royalties to be derived from such a transfer was one of the probable solutions.

[fol. 61352] Toward the close of the meeting Mr. Knox Smith and Mr. Curtiss conferred regarding Corning's objections as set forth in their letter of Ocober 26th. If I heard correctly, Mr. Curtiss was willing to give up further rights in fields E and F. At this time, as well as previously, it was also suggested that the use value definition should be made more flexible. Corning's point was that perhaps they should have some invention which would have absolutely no commercial advantage, except to themselves. This sort of invention they felt should not be considered by the same standard as an invention which had a broad commercial use. The same would apply to some invention by Hartford.

Corning did not desire to make the partnership inequitable in suggesting that such inventions should be rated differently, but they were trying to raise the question as to how an invention which had no broad commercial use should be valued.

As to paragraph four in the letter of October 26th, Mr. Curtiss said that he would take under consideration for this Tank Agreement as in the 399 agreement the general proposition of Corning having no rights in the J field. I also gathered that paragraphs 2 and 3 correctly explained our understanding.

At the request of Mr. Greene it was agreed that the next meeting would be on Wednesday, March 19th, presumably here in Hartford.

ATS:RLB.

[fols. 61353-61354] GOVERNMENT EXHIBIT No. 1761

August 12, 1929.

Memorandum of Conference Held at Toledo, August 8th and 9th, 1929

I talked with Mr. William Levis at Toledo August 8th and 9th, mainly in connection with the Knox-O'Neill matter, but also took up the pending questions of the Laurens Glass Works and the sale of the Acme Glass Company.

(1) Mr. Eldred stated that the Laurens Company wanted an extension of their field sufficient to occupy their present feeders in full.

Mr. Levis said that he would agree to this but would like to have us suggest to Laurens that they get from Mr. Stevenson a regular quota allowance on these new lines.

(2) I pointed out that as to the Acme Glass Company, I had issued formal revocations of their licenses by reason of non-payment of royalties and by reason of bankruptcy, and that it was probable that those revocations have now taken effect and the licenses were technically at an end.

I said that Mr. Frew, who is a banker, and some of his associates were thinking of buying Acme, and that they, of course, wanted to know, first, if they could get the machines under license which are now there.

I said that we felt that they were perfectly honest and good people and, apart from their lack of knowledge of the glass industry, would probably be good customers.

I stated that, technically speaking, this might be held under Section 22 of our General Agreement to be the issuance of new licenses, and might possibly require Owens' consent, but that practically, it was simply the continuation of old licenses.

Mr. Carter said the best thing for us to do was to go ahead and grant the licenses and say nothing about it.

I do not remember whether Mr. Levis took part in the discussion relative to Acme, but my impression is that he did not.

(3) Mr. Levis said that as soon as Goodwin Smith got back he would like to take up with him the whole policy of Section 22, and also the question about Whitall Tatum, and a number of other things.

H. K. Smith.

HKS/GP.

[fol. 61355] GOVERNMENT EXHIBIT No. 1763

Nov. 29, 1932.

Memorandum to: Mr. F. Goodwin Smith.

From A. T. Safford, Jr.

Subject: 399 Situation

At your request I went through the various files of the Company relating to the 399 situation.

1. So far as I can tell, we have, from the very first, had very definite grounds for the maintenance of the position

that Corning should pay some royalty for the use of the Corning (399) bulb machine.

(a) The Corning bulb machine is a Corning machine right as defined in the 1922 Glass Contract, and the division of rights in it is provided for and its use to Corning is royalty free.

(b) In so far, however, as it is covered by Hartford-Empire's rights in patented inventions it is a Hartford machine right and for the use of the machine in making bulbs a royalty of 30¢ per thousand is payable.

(c) John P. Bartlett rendered an opinion March 19, 1930, that the Corning apparatus and method for making incandescent bulbs does infringe the Howard autoblow patent 1,592,299. In this opinion he disregarded the claims of that patent which form the basis for the Special Agreement dated February 23, 1930.

(d) Our people also believe that the Soubier patent 1,453,290 and claims of certain of the Peiler patents overlie the 399.

[fol. 61356] (e) The Glass Contract specifically provides for arbitration of "all disputes or questions which can not be settled by mutual consent of the parties" and the arbitration which was considered in 1929 has never been carried through.

(f) The Patent Department have felt that the value of the 399 is dependent in part upon (1) the expenditure in development and design by Corning, (2) the incorporation of Corning's patentable features, and (3) the incorporation of Hartford's patentable features, and for these latter Hartford is entitled to some compensation.

(g) Even though we have considered that Corning should be entitled to royalty free use of the machine, we could see no reason why our rights in the 399 should be used without royalty by General Electric.

(h) Our attitude has also been intensified by the realization that our position on this entire situation would not have arisen if we had not misinterpreted the attitude of Corning, a mistake in which Dorsey also shared.

2. For your convenience I shall at some length give the history of this entire 399 situation as appears from our

records. I have checked with no one as to these facts as this would naturally bring up the question.

On October 14, 1924, Peiler went to Corning to inspect the Corning bulb machine for the purpose of determining whether the machine could be adapted to bottle making. At that time Hartford had in its possession certain subject matter which formed the basis of subsequently issuing patents.

It had an exclusive license from Owens under Soubier [fol. 61357] 1,453,290, which had been prosecuted by Owens, and rights to which we acquired by virtue of the Agreement of 1924. It had the application which issued as the autoblow patent, Howard 1,592,299, which had been filed prior to the formation of Hartford-Empire Company. It had the application which issued as Peiler 1,600,392, on the insulated outlet, and the application which issued as Peiler 1,657,640 had not been filed, but the invention records contained miscellaneous sketches covering a scheme for depositing a continuance ribbon of glass upon an advancing support.

After the structure of the 399 became know- to the Patent Department, claims were immediately filed on the Howard application, and these were quickly allowed. Later, proceeding on the basis, perhaps mistaken, that the step had Mr. Falck's approval, Dorsey and Brown collaborated in drawing additional claims for the Howard application. The Peiler application which issued as 1,657,640 was filed with claims which read on the 399. Also, a Canfield application was filed March 21, 1927, Peiler No. 176,988, to cover Canfield's design for a rotary ribbon bulb machine.

The question appears to have come up again in the summer of 1927 when F. G. S. wrote A. D. F. stating our engineers would be glad to visit Corning to witness the 399 in operation, with a view of further investigating the operation of the machine to determine whether the basic principles could be incorporated in a successful bottle-forming machine. I believe that this was Mr. Houghton's idea.

A. D. F. wrote (9-12-27), in answer, that a definite understanding should be reached as to rights, and proposed that an agreement should be that under United States patent No. 1,592,299 to Howard and under any claim of any patent owned or controlled then or thereafter by Hartford the conception date of which was subsequent to Mr. Peiler's visit to Corning at which he first inspected the Corning

machines and which claim related to the use of a machine of the type of the Woods and Gray blowing machine known as the Corning machine, as disclosed in a pending application for patent right should go to Corning exclusively, and [fol. 61358] without royalty, for glassware in Ware Divisions A through H inclusive.

Later, 10-8-27, F. G. S. wrote A. D. F. to the effect that a substantial part of the Howard claims were filed and allowed before Hartford had any knowledge of the Corning machine, and A. D. F. replied, 10-12-27, that as to these claims the patent should stand in the same position as any other patent owned by H-E. As to claims amended subsequent to H-E's knowledge of the Corning machine, Corning should have an exclusive free license, but that Corning should reimburse H-E for the work done.

After the Corhart meeting in New York 10-26-27 F. G. S. discussed with A. D. F. the entire situation, handing him a memorandum of that date, and A. D. F., in a letter dated 11-9-27, suggested terms as embodied in the memo dated 11-16-27 explained below.

On November 16, 1927, H. K. S., Brown, Dorsey and F. G. S. prepared a memorandum to the effect that all claims made by H-E after October 24, 1924, were to be licensed without royalty for ribbon forming and straight line fabricating machines, exclusive for A, B, C, D, G, and non-exclusive for E, F, H and I, and H. K. S. prepared and sent to A. D. F. a draft contract embodying this. Some correspondence then ensued between them regarding a division of rights in Ware Division J.

The theory underlying the deal, from A. D. F.'s point of view, letter A. D. F. to H. K. S. dated 12-1-27, was that Hartford and Corning, so far as they were concerned with claims between the basic dates, were dealing with inventions covered by applications and patents which stood in the name of Hartford, but which should be treated as Corning inventions to the extent that they related to ribbon feeding and straight line forming machines.

The question of the definition of the straight line forming machine came up and the definition written by Gray was considered too broad by Hartford.

Up to that time it had been decided to restrict the division of rights to claims made between October 14, 1924, [fol. 61359] and December 1, 1927, but in connection with

another visit of the Hartford engineers to Corning A. D. F. raised the question of all subsequent work involving our ribbon feed ideas.

Nothing at all seems to have been done about the matter during 1928, principally due to the pressure of work on Knox Smith. He made a draft in March of 1929 but there is no record that Corning received it. At that time the Knox-O'Neill menace turned our attention to an entirely new bottle process and the possible adaptation of the autoblow of Hartford became of increasing importance. The Corning people, Curtiss at least, were in Hartford on October 7, 1929, and it was there decided that arbitration should be held to determine what Hartford claims covered the 399 machine. Hartford thought that this should apply to the claims made between October 14, 1924, and December 1, 1927, and sent to Curtiss a draft contract, leaving blank the claims under which the license was to be granted. Curtiss replied that the arbitration should not apply to these claims.

Finally the Special Agreement Amending Glass Contract, dated January 23, 1930, was executed, which, in substance, gave to Corning a free license under all claims made between October 14, 1924 and December 1, 1927, in any application of Hartford and under all claims broadened between those two dates, so far as they applied to ribbon fed machines and to straight line forming machines; this license was exclusive and complete for A, B, C, D, E, F, and G; non-exclusive for H and I; and a shop right for J.

About that time F. G. S. asked Corning to propose, before February 1, 1930, an agreement that would cover the entire subject of ribbon fed and straight line forming machines before and after the period covered by the Special Agreement, and the negotiations then entered into the second stage.

Curtiss next raised the question of Corning's rights in our foreign applications and patents containing any claims similar to those under which the agreement of January 23, 1930, was made. This has never been answered.

[fol. 61360] H. K. S. drafted an agreement (draft of 3-20-30) and sent it to Curtiss. This established an entirely new basis for a contract—the theory of it being a royalty free exchange on a machine license basis.

Later on, April 24, 1930, H. K. S. and A. T. S. met Curtiss in New York and discussed the entire situation—the basis

of the discussion being the H. K. S. draft of 4-8-30, which is the last draft ever written on this subject. This draft divided the rights in inventions made prior to 1-1-30 and relating to a ribbon fed straight line forming machine and made their use royalty free. The divisions were substantially in accord with the 1922 contract, except that the assignability of Corning's rights in Ware Divisions A and H was more closely restricted.

At that time, the question was raised by Corning as to a possible General Agreement between Corning and ourselves. The 399 situation then became merged with the General Agreement proposition which, of course, was terminated by Knox Smith's death.

ATS:RLB.

[fol. 61361] GOVERNMENT EXHIBIT No. 1764

Hartford, Conn.

Legal Department

September 11, 1930.

William E. Levis, President, Owens-Illinois Glass Company, Toledo, Ohio.

DEAR MR. LEVIS:

Mr. F. Goodwin Smith, who is now away, has requested that I write to you, on his behalf, relative to your proposed acquisition of the Atlantic Bottle Company.

We have been advised that you contemplate purchasing the assets of the Atlantic Bottle Company, and before doing so and as a condition precedent for your doing so desire a settlement of our claims against the Atlantic Bottle Company for infringement of our patent rights.

In consideration of these premises we make you the following proposition:

(1) You agree to pay royalties or procure the Atlantic Bottle Company to pay royalties to us at our regular milk bottle rates on the production of its feeders from August 1, 1930 to the date you take over its property.

(2) You will execute licenses covering the feeders and will pay royalties on your production at the Atlantic plant after you take it over, or at any other plant to which the

feeders may be transferred, as provided in our General Agreement of April 9, 1924.

(3) We will release and discharge you and the Atlantic Bottle Company for all claims of infringement by it occurring prior to the date you take over its property.

(4) This proposition is only effective in case you take over the Atlantic property, and will terminate three months from this date.

Will you please indicate your acceptance of this proposition?

Very truly yours, Hartford-Empire Company,
(Signed) A. T. Safford, Jr.

ATS:RLB.

Accepted: Owens-Illinois Glass Company, (s) Wm. E. Levis, President.

[fol. 61362] cc: Wm. E. Levis, H. W. Carter.

September 22, 1930.

Hartford-Empire Company, Hartford, Conn.

Attention: Mr. A. T. Safford, Jr.

GENTLEMEN:

We have your letter of September 11th releasing your claim for infringement against Atlantic Bottle Company, and return herewith the copy of the letter on which we have noted our Company's acceptance.

We appreciate your concurrence in our views and the promptness with which you have handled this matter.

Our Directors have authorized us to close with Atlantic Bottle Company on substantially the terms recommended by the committee negotiating the deal. However, there are certain minor points still to be agreed upon before the contract will be in the exact shape required and we are therefore making no announcement of the deal until everything is in order.

Yours very truly, Owens-Illinois Glass Company,
—— ——, Secretary.

J. H. McNerney. H. T. enc.

[fol. 61363] September 22, 1930.

MR. H. W. CARTER:

We enclose the original of Hartford-Empire Company's letter to Mr. Levis of September 11th, releasing Hartford's infringement claims against Atlantic Bottle Company under certain conditions stated in the letter. We also enclose a copy of our letter transmitting our acceptance of the release to the Hartford-Empire Company.

The original letter, constituting a license and royalty contract, should be in your files. I have retained a copy as part of the Atlantic Bottle Company negotiating committee's report to the Board of Directors.

J. H. McNerney. HT. enc.

(Here follow 4 photolithographs, side folios 61364-61367)
61367)

GOVERNMENT EXHIBIT No. 1768

HARTFORD-EMPIRE COMPANY

Glass Working Machinery

HARTFORD, CONN.

CABLE ADDRESS
EMHART

LEGAL DEPARTMENT



December 29, 1932

The Hocking Glass Company
Lancaster
Ohio

Attention Mr. Thomas C. Fulton,
Treasurer

Dear Mr. Fulton:

GOVERNMENT EXHIBIT No. 1768

HARTFORD-EMPIRE COMPANY

Glass Working Machinery

HARTFORD, CONN.

CABLE ADDRESS
EMHART

LEGAL DEPARTMENT



December 29, 1932

The Hocking Glass Company
Lancaster
Ohio

Attention Mr. Thomas C. Fulton,
Treasurer

Dear Mr. Fulton:

In 1927 when Hartford-Empire Company was revising the basis for its pressed ware royalties, particularly as they applied to Capstan and Federal, the royalty rate on round bottom family jelly tumblers sold for household use and not exceeding 9 ounces in weight was put in a separate class.

Prior to our taking over Tucker, Reeves and Beatty Capstan and Federal had been enjoying a special rate on tumblers of the sort above referred to. Due to the pressure of Hazel-Atlas competition they were very desirous of treating this as a separate item. Finally we decided to give to them a special 6¢ rate for this class of ware, but provided that if Hazel-Atlas should ever become a licensee of Hartford then the royalty rate would automatically cease.

Mr. Collins was interested in the pressed ware royalties on account of the Monongah situation, and was informed about the special conditions attached to the jelly tumblers. Mr. Herbert Smith wrote him on August 11, 1927, as per the enclosed letter.

Hazel-Atlas has now become a licensee of Hartford-Empire Company and is paying our standard rate on these round bottom jellies. This puts Hazel, therefore, on the same basis as Federal and Capstan.

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At the time I drew the Consolidated Feeder Agreement between Hartford-Empire Company and General Glass Corporation dated September 16, 1932, I omitted any express reference to the round bottom jellies as Hazel-Atlas having become a licensee I considered the round bottom jellies to come in the same class as the other pressed ware, and was of the opinion that the standard pressed ware royalty rate should apply to them.

I have been advised, however, that the November production reports of Hocking show that you have produced some round bottom jelly tumblers. These we assume you are producing at General, as Hocking has no specific contract rights for this type of ware.

However, as far as your November production is concerned we shall bill you at 6¢ per gross for the round bottom jelly tumblers sold for household use and not exceeding 9 ounces in weight.

However, in view of the fact that Hazel-Atlas is now a licensee and we are raising the royalty on this item for Federal and for Carstan as of January 1, 1933, the same will apply to Hocking and to General as the possible successors to any of Monongah's rights to the lower rate.

Consequently, as far as General is concerned, the rate on round bottom family jelly tumblers after January 1, 1933 will be the standard Hartford Single Feeder rates less 25%, as in the case of your regular line of packers ware. If, subsequent to that date, Hocking makes any such ware for the account of General, or otherwise, then the royalty will be these standard pressed ware rates.

I enclose herewith letter amendments which I should appreciate your executing in duplicate on behalf of Hocking and of General and returning one of each to me for my files.

When Mr. Collins was here we explained this entire situation to him and he told me to write you.

With kindest personal regards, I am

Very truly yours,

HARTFORD-EMPIRE COMPANY

A. T. Safford Jr.
Secretary

6136f

E. P. Seufert, Jr.

142568

GOVERNMENT EXHIBIT No. 1770

89

1/19/33

1. If we and Texas are retaining leases are we not doing exactly what was not done in the Magnolia contracts

2. The leases are subject to the outstanding rights

3. The leases are further subject to H.E.'s ability to get from Federal Gas Corporation a release of its fuel gas rights held by it by virtue of the Consolidated Fuels agreement.

4. There is a question whether the additional machines are to be leased as equipped if the former, then there was a limitation upon the number to be used at any one time

5. Standard royalties will be paid for these use with a 1/8 rate on them when used for the production of fuel gas. Fuel gas rates will be 75% of standard. What about the rates on caps, lids, and liners (How are these made)

6. This field of work is to be not for all glassware, but for various specific lines

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142560

(4)

manufacture. Tableware, kitchenware, & the miscellaneous - novelty etc line of BC or ME or H or S and

[redacted]

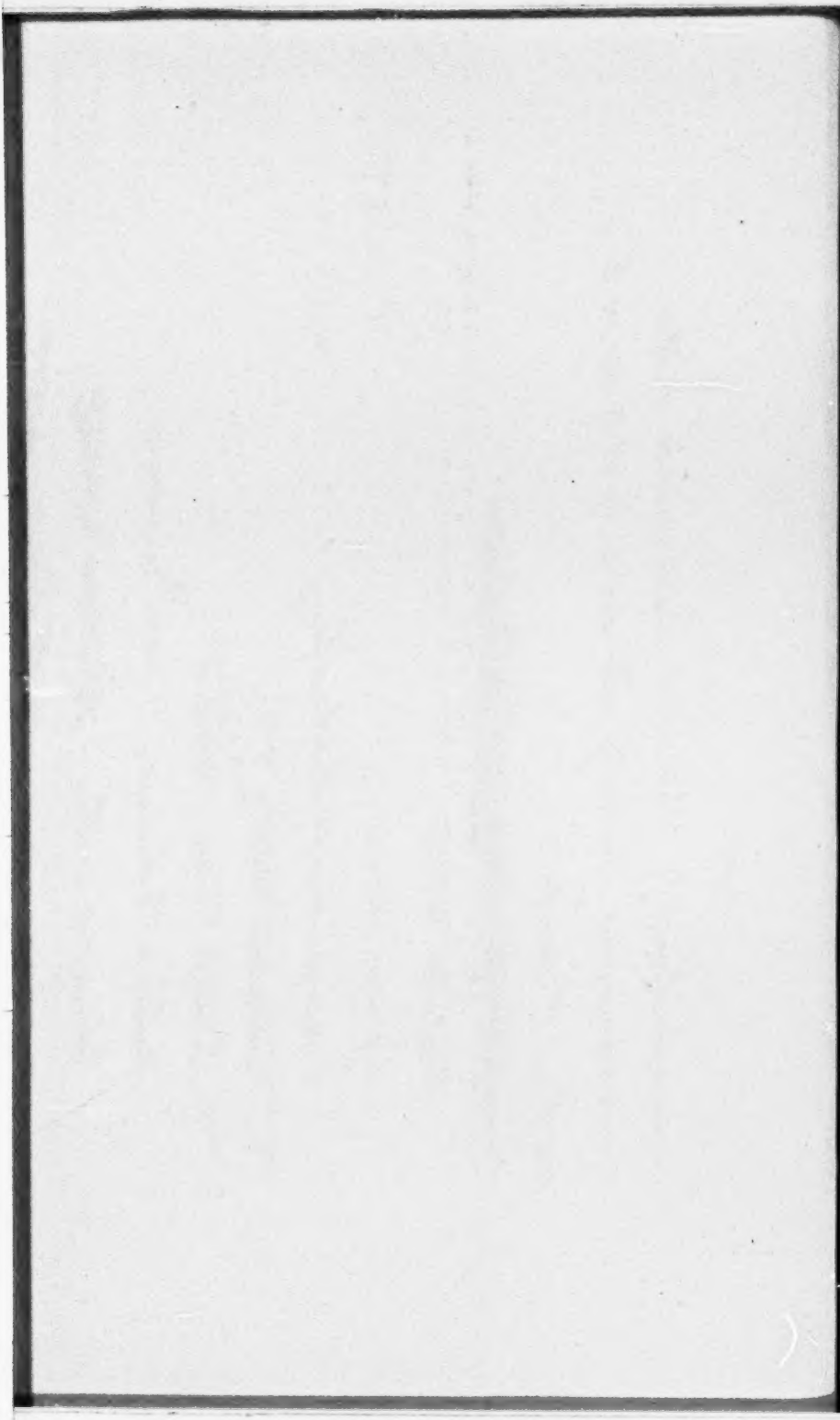
Pastime Ware
Liquor Ware
Prescriptions & Proprietary
Miscellaneous
Beer & near Beer
Toilets & Perfumes -
Beverages bottles - Perfume ware
Malt beverages
Mineral water
liquor bottles
fruit jars

milk bottles and Tableware
drinking tumblers and

4/21/30
2/3 / 32
10 / 32

Title to fruits may be made
more definite by reason of the fact
that different plants are in different states

14256D



[fol. 61368] GOVERNMENT EXHIBIT No. 1771

Memorandum to: Mr. F. Goodwin Smith.
From: A. T. Safford, Jr. Feb. 1, 1933.
Copy to: Mr. R. D. Brown, Subject: Ball Contract.

I have listed below some of the points where I have taken a definite position in the contract, but it its quite clear to me that the point will arise when a discussion of the subject comes up.

1. Is our release to Ball to extend to any kind of apparatus relating to glass manufacture or only to feeders? The contract says feeders.

2. I assume that we take title to all their patents and to their present feeders. The contract as now written includes foreign patent rights.

3. In view of the attitude of the other glass manufacturers, I should say that the definition we finally arrive at for fruit jars should not include jars for the "bootleg" or the packers trade, even though they may be standard Mason or Lightning jars.

4. Is our license of residual fruit jar rights to extend to any kind of machine which we put out or merely to feeders?

5. Damages are fixed at $200,000 and minimum payment for the residual license at $300,000.

6. Should Ball have rights to Hartford equipment other than rights to single feeders to take the place of their present feeders?

7. To what number of machines are they to be restricted? The contract says 20 for general —.

8. The term I have written as eight and eight.

9. I have given them a field of ware approximately similar to that now held by Salem, including, of course, broader fruit jar rights and pressed ware.

[fol. 61369] GOVERNMENT EXHIBIT No. 1772

Hartford, Connecticut, April 13th, 1933

Mr. Francis W. Cole, 750 Main Street, Hartford, Connecticut.

DEAR MR. COLE:

For your convenience, I have outlined below a statement of facts regarding certain contracts entered into between—

Hartford-Empire Company and Capstan Glass Company,

Hartford-Empire Company and Hazel-Atlas Glass Company, and

Hartford-Empire Company and Ball Brothers Company which we described to you in some detail this morning.

Would you be good enough to render us your written opinion in answer to the following questions—

1. Are the terms of the cross-licensing arrangement between Hazel-Atlas Glass Company and Hartford-Empire Company of such a nature that Capstan, by reason of its most favored nation provision, is entitled to a net royalty rate equivalent to that actually paid by Hazel-Atlas?

2. Are the terms of the cross-licensing arrangement between Hazel-Atlas Glass Company and Hartford-Empire Company of such a nature that Hartford had no right to represent as it did in the Ball Brothers contract that there is no outstanding license granted by Hartford which provides lower royalty rates than those payable by Ball Brothers?

(a) In February 1925, after long and difficult negotiations, Hartford-Empire Company entered into an agreement with Capstan Glass Company, by the terms of which [fol. 61370] it agreed to license the latter to use its Tucker, Reeves and Beatty feeders under all of Hartford's patents. As part payment for this license Capstan agreed to pay royalties for every gross of glassware produced on these feeders (See Article III, Section 8—General Agreement—Capstan Glass Company and Hartford-Empire Company dated February 17th, 1926).

The royalties were specified in Schedule D and it is those set out in Section 3 of that Schedule, and also in the Supplemental Agreement on Royalties dated July 1, 1927, which are particularly relevant to the points at issue. These rates are generally known as "Hartford's Standard Rates," and are as follows—

Rates of Royalty

The weights below specified are the weights of the finished articles—

	Per Gross
2 oz. weight and under	10 Cents
Over 2 oz. wt. and not exceeding 4 oz. wt.	11 Cents
Over 4 oz. wt. and not exceeding 8 oz. wt.	12 Cents
Over 8 oz. wt. and not exceeding 12 oz. wt.	13 Cents
Over 12 oz. wt. and not exceeding 13 oz. wt.	14 Cents
Over 13 oz. wt. and not exceeding 16 oz. wt.	15 Cents
Over 16 oz. wt. and not exceeding 20 oz. wt.	16 Cents
Over 20 oz. wt. and not exceeding 26 oz. wt.	18 Cents
Over 26 oz. wt. and not exceeding 30 oz. wt.	21 Cents
Over 30 oz. wt. and not exceeding 96 oz. wt.	one-twelfth (1/12) of a cent per pound.
Over 96 oz. wt. and not exceeding 128 oz. wt.	one-sixth (1/6) of a cent per pound.

To Capstan's convenant to pay royalties there was added a proviso reading as follows—

"*Provided*, that in case the Licensor shall at any time during the continuance of this Agreement, grant to any other person, firm or corporation the right to use any of such licensed machinery (or the Hartford Single Feeder, or a feeder of "substantially the same construction as said [fol. 61371] Hartford Single Feeder) under substantially similar circumstances and conditions at rates of royalty lower than those required by this Agreement as amended by a Supplemental Agreement on Royalties between Licensor and Licensee dated July 1, 1927, to be paid by the licensee for such licensed machinery when producing a given article of ware, the Licensor will thereupon promptly notify the Licensee thereof and so long as such lower rates are in effect will also give to the Licensee the full advantage of such lower rates for such ware upon

such licensed machinery. The royalty rates now being paid, or payable under contracts in force October 3, 1925, by Monongah Glass Company of Fairmont, West Virginia, Beech-Nut Packing Company of Canajoharie, New York and The Owens Bottle Company of Toledo, Ohio, shall neither of them be considered as coming within the foregoing proviso or as constituting such lower rates."

This is what we commonly call the "Capstan Most Favored Nation Clause." It is to be noticed that certain contracts are specifically excluded. The Monongah, Beech-Nut and Corning contracts provide for special rates, specifically lower than Hartford's standard rates. All these companies were closely connected with the early history of Hartford-Empire Company, and it was recognized that they were entitled to lower rates, and Capstan knew of this.

The Owens Bottle Company contract was different, and may have some bearing on the question at hand. In 1924 Owens, the largest manufacturer in the industry, and also the owner of the Owens Suction Machine, the other process, besides ours, for making glassware, attempted to sue Hartford under certain of its patents, and to break the Hartford licensing system.

Rather than go into suit, Hartford concluded a cross-[fol. 61372] licensing arrangement with Owens by which Owens was given the right to use forty units free of royalty. The contract also provided for a certain division of Hartford's income with Owens. To compute this the sum of $600,000 was deducted from Hartford's income from licensed inventions. The excess was then divided equally between Owens and Hartford. This contract formed the basis for the arrangement which now exists between Hartford and Hazel-Atlas and Hartford and Owens. The Owens contract was probably excepted from the Capstan contract because of the free feeder provision.

(b) In 1928 Hartford-Empire Company started on a long course of litigation to establish what it considered its basic patents. It brought suit against Hazel-Atlas Glass Company for infringement of the "plunger" patent. At that time Hazel-Atlas Glass Company was the second largest producer of glassware in the industry and a very powerful and well-managed concern.

Prior negotiations with them had entirely failed, and Hartford and Hazel, in years past, had been unable to get

together on any sort of an agreement. Hazel was considered by the other infringers as pretty much their leader, and what Hazel-Atlas did we felt would compel the other infringers to follow suit. Moreover, Hazel-Atlas was in the third circuit, which has generally been regarded by the patent lawyers as a very favorable circuit for patent decisions.

The suit cost both sides a fortune. Hartford lost the suit in the District Court and appealed to the Circuit Court of Appeals for the Third Circuit.

The intervening period was one of the greatest difficulty to Hartford. The entire industry was intensely interested, and it was quite apparent that Hartford's licensing system hung in the balance, and that if there was an unfavorable decision against it Hartford's income would be considerably diminished for some years to come. To Hartford's smaller licensees a breaking down of Hartford's licensing system meant freedom from royalties and ware restrictions, which they considered burdensome. To Hartford's larger licensees the amount of royalties paid meant less.

[fol. 61373] Their chief worry was the unsettled industry which would inevitably result from a breaking down of Hartford's system of limited and restricted licenses. This system had offered very substantial protection in times past to certain restricted fields, and had prevented numerous manufacturers from competing on a par with Hartford's licensees.

With its principal patents in jeopardy Hartford had to play a game of watchful waiting, and numerous important decisions as to the policy of the Company had to be deferred until after the Hazel-Atlas decision.

In the period between 1928 and 1931 our patent counsel were also very busy on suits in the Sixth Circuit. Actions had been brought against three companies—Lamb Glass Company, Nivison-Weiskopf Company and Kearns-Gorsuch Company, the latter being an important subsidiary of Hazel-Atlas Glass Company. The principal patent involved in these suits was the so-called "phase change" patent, which involved practically the same mechanisms as the plunger patent, but was directed toward different principles. The history, however, of the two patents was substantially the same—both involving the work of the Hartford-Empire Engineer, Peiler, as related to the various

other attempts in the glass industry to secure a workable feeder.

In May 1932 the Circuit Court of Appeals for the Third Circuit handed down a decision in Hartford's favor, and several weeks later the Circuit Court of Appeals for the Sixth Circuit did likewise. The decision in the Third Circuit was overwhelmingly in our favor, but the decisions from the Circuit Court of Appeals of the Sixth Circuit were much narrower than we desired, and also were in conflict with decisions in the Eighth Circuit on these same patents.

These two decisions really complicated the whole situation, rather than making it better. Counsel for Hazel-Atlas were preparing for a rehearing of the case in the Third Circuit. In the Sixth Circuit cases, counsel for the defendants were preparing petitions for certiorari to the Supreme Court of the United States based on conflicts of opinion in the different Circuits on the same patents.

[fol. 61374] All our patent counsel were very much afraid of a possible appeal to the Supreme Court of the United States. Of recent years the Supreme Court seemed to be very averse to upholding patents in any broad fashion. Also, we were afraid that the Supreme Court, in ruling on the conflict of decisions between the Sixth and Eighth Circuits, would express opinions of the Peiler history which would seriously weaken the plunger patent.

The majority of the Hazel-Atlas organization were entirely against any license arrangement, and were preparing to carry the case to the Supreme Court. They were also changing over all their existing machines from the type which was held an infringement by the Third Circuit decision to another type, the infringement of which was not quite so clear and would involve commencement of new suits. No further progress could be made with any of the other infringers because Hazel-Atlas was regarded as the key situation.

Negotiations between Hazel-Atlas and Hartford commenced as a result of a letter written by Mr. Smith to Mr. McNash, President of Hazel-Atlas. Owing to the importance of the decision from the point of view of the glass industry as a whole, Owens-Illinois Glass Company, the successor to The Owens Bottle Company, mentioned above, considered settlement of litigation to be sufficiently worth while so that they were willing to give up certain of the rights which they formerly held from Hartford. There-

fore, the contract between Owens and Hartford was revised. The provisions for the forty free units were wiped out, and other sections, particularly those which seemed undesirable from an Anti-Trust point of view, were either omitted or softened.

After the Owens-Illinois revised contract was pretty well agreed upon negotiations with Hazel-Atlas commenced, and although the deal was at a breaking point on numerous occasions it was finally concluded in August 1932.

Hazel-Atlas agreed to pay one million dollars in damages. They then insisted upon being on an equal basis with Owens. It was finally agreed that Hazel, Owens and Hartford [fol. 61375] should share equally in Hartford's Net Income. This Net Income was computed by deducting the sum of $850,000 from all the income which Hartford collected from the licensing of feeders and forming machines.

The Owens and the Hazel contracts are almost identical in their set-up, except for damages. Hazel first agreed to pay damages of $1,000,000. These damages were for their prior use of so-called plunger feeders, which, although not exactly like the Tucker, Reeves and Beatty feeders mentioned in the contract, are sufficiently similar to be a "feeder of substantially the same construction as said Hartford Single Feeder", mentioned in the proviso of the Capstan contract quoted above.

In Section 2 Hartford released Hazel for past infringement, and then licensed Hazel to use all feeding and forming inventions owned by Hartford prior to January 3, 1945. For this license Hazel agreed to pay royalties to Hartford at Hartford's lowest standard rates; these are the same rates specified in the Capstan contract, and referred to on page 2 above. In Section 5 Hazel-Atlas released Hartford for past infringement and then licensed Hartford to use all feeding and forming inventions owned by Hazel prior to January 3, 1945. For the release, the license, and engineering experience Hartford agreed to pay Hazel one-third of its net income (described above).

There is one important difference here between the Hazel and Owens contracts. Owens owns a great many patents and several of them in 1924 were considered to be of very great value, and if enforced in the courts would have probably broken the Hartford licensing system. Time and greater perspective has considerably weakened their value, but they are still important. Hazel's patents, on the other

hand, are not so valuable. They have their own devices pretty well covered, but have nothing which could be called dominant.

At the time the contracts were being written the Capstan contract was considered very thoroughly. It was the concensus of the attorneys present, all of them very able, that [fol. 61376] the Hazel-Atlas situation was not "similar circumstances and conditions" for which the Capstan "most favored nation" clause specifically calls.

The Hazel situation was considered to be different because (1) Hazel paid $1,000,000; (2) Hartford took a license under Hazel's patents; (3) the Hazel contract represented the settlement of very important litigation.

On the other hand, it may be noted that in the years 1926-1932 Capstan paid to Hartford $515,000 and only operated 25 feeders, as compared with Hazel-Atlas' 150. For the six months' period, 7/1/32-12/31/32, it is to be noticed that Hazel-Atlas paid Hartford-Empire Company, in royalties, $217,900. Hartford paid to Hazel-Atlas for its license to Hartford-Empire the sum of $180,404. During the same period Capstan paid to Hartford $34,118.25.

From Hartford's point of view, and from that of the Owens and Hazel point of view, the contracts of July 1st were entirely justified, and what concessions may have been given were considered to be amply compensated for by the resulting advantages to the individual parties.

(c) *Ball Brothers Contract*—Several weeks ago Hartford concluded with Ball Brothers Company negotiations which had been protracted over a long period. At their insistence we were compelled to insert a provision (See Article III, Section 6—General Feeder License Agreement) another most favored provision, reading as follows—

> "Hartford represents that there is no outstanding license granted by it which provides lower royalty rates than those provided in Schedule E for the manufacture of ware permitted herein by means of feeders of the types licensed hereunder. It agrees that if it shall grant to any other licensee than Ball, lower royalty rates than shown in said Schedule covering the production of any article of ware permitted herein by means [fol. 61377] of any such feeder, it will make a corresponding reduction in the royalty rates to be paid by Ball * * *."

The Ball Brothers contract otherwise raises no particular questions.

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A. T. Safford, Jr.
RLB.

P. S. You took with you a copy of the 1924 Owens Bottle Contract. This, as noted above, has been superseded by a new contract of July 1, 1932, which is exactly the same as the Hazel-Atlas contract of July 1, 1932, except for damages.

For your information it may be said that Capstan is about a tenth the size of Hazel-Atlas.

[fol. 61378] GOVERNMENT EXHIBIT No. 1773

8/29/38 #=S/Jr. Memorandum

On Tuesday, August 23 at about 11 a. m., Mrs. Dickinson called me and said that a gentleman from the Department of Justice had asked for Mr. Smith. He was told that Mr. Smith was away ill and then asked for someone else in authority. Mr. Eldred was called but referred the matter to me.

Mr. Edward P. Hodges of the Department of Justice, accompanied by Seymour Lewis, David Clark and James Henderson came into the office. Mr. Hodges explained that he was acting on behalf of the National Economic Committee, known as the Monopoly Committee. He had with him a form of sub-poena which he presented to me and which is to be found in my file.

I called in Mr. Parham, and we hastily looked over the sub-poena and also the Enabling Act, Public Record No. 113, 75th Congress.

Mr. Hodges said that he wanted to put his three young assistants to work at once on all the matters referred to in the sub-poena. I told him that in Mr. Smith's absence I had no authority to permit this and should have to take the time to take it up with our Counsel and several of the Directors. He realized this and said that he would call back again at 2 o'clock in the afternoon.

I went down and saw Mr. F. W. Cole and also got in touch with W. J. Belnap. When Mr. Hodges called in the afternoon, he agreed to come out at 10 o'clock the next morning for a conference.

On Wednesday, August 23, the conference was held, at which Messrs. F. W. Cole, W. J. Belnap, R. D. Brown and A. T. Safford, Jr. were present on behalf of H-E Company and the four gentlemen above named on behalf of the Committee. Reference is made to Colonel Brown's memo dated August 25, 1938.

During Wednesday and during the balance of the week, I had numerous telephone calls with Messrs. Falck and Houghton and others.

On Saturday morning, I called Mr. Hodges in Washington, but I was told he was away.

On Sunday, August 28, Mr. Hodges as per agreement called me on the phone. I told him that we had secured permission to start ahead, but that there were certain items which would probably raise questions, but it was left that when that point came, the specific matters would be considered.

[fols. 61379-61387] He said that the gentlemen would appear bright and *and* early Monday morning, but that George H. Dession would probably appear in his place.

* * * * * * *

[fol. 61388] GOVERNMENT EXHIBIT No. 1778

6/16/1932

In the change from the 1924 Hartford-Owens-Illinois Agreement to the proposed July 1, 1932 Agreement it is our understanding that as far as the benefits are concerned they are the same to both Owens-Illinois and Hartford.

As far as the changes which are a detriment or a loss to either party, they are the same in three respects but different in one respect, as follows:

(1) Both Hartford and Owens-Illinois take one-third of the net income in place of one-half.

(2) Hartford takes a non-exclusive license in place of an exclusive license, but this is a matter which is done simply to guard against government interference and is nothing which Owens-Illinois itself cares for. While from Hart-

ford's standpoint it is giving up something, this is, in our opinion, offset by Owens-Illinois giving up its right to Hartford's inventions royalty free after 1941.

(3) Owens-Illinois gives up $125,000 of divisible income by agreeing to make the net start at $850,000 in place of $600,000. But as against this Hartford will have to carry alone the expense of litigation.

(4) Owens-Illinois gives up its right to use from 30 to 40 free feeder and former units which at the present time have a value of about $100,000 a year, and a potential value in case of manufacturing to the full limit of $440,000 per year, or approximately $4,000,000 in the next nine years. Probably a figure of $1,500,000 of which only 1/2 would come back to Owens-Illinois under the 1924 Agreement is a fair figure, making an actual giving up of a real value of $750,000, although if beer comes back and the large 15-arm machines are used this might well become more than $1,000,000 as far as what Owens-Illinois is giving up.

[fol. 61389] It is our opinion that the first three items wash themselves. Possibly from Hartford's standpoint they are giving up a little more in the 2nd item than we are, but certainly in the 3rd item Owens-Illinois is giving up more than Hartford. From a strictly legal standpoint they are giving up a full $125,000, but I think it is fair to say the first three items balance themselves.

For the 4th item we are asking a non-exclusive license under Hartford's suction inventions as defined in the contract submitted and inasmuch as these rights may not have any value in the future, or may be worth considerable, we have figured that the payment which amounts to around $750,000 by our giving up the 4th item is a fair consideration for the non-exclusive license to Owens-Illinois and its subsidiaries, including Hazel and Ball, which we are asking. In other words, Owens-Illinois is offering an item of tangible value for which there is no offset by Hartford in the new Owens-Illinois-Hartford deal for intangible value.

In addition to the question of values there is this situation which makes it necessary for Owens-Illinois, from their standpoint, to get at least a non-exclusive license in the Hartford suction inventions, namely, that if Hartford develops a small suction machine which can displace considerable of the feeder licensing business, that the income from the feeder licenses will be cut down to where Owens-

Illinois will be getting back nothing from the net income and will have to pay royalties on such feeders and formers as they use, whereas under the 1924 Agreement their re-
[fol. 61390] quirements would be taken care of by the free feeder provision, and in addition they would have to pay royalties on the suction development, so that in place of a royalty-free manufacturing company, or one sharing in some of the income, they might easily come into the position where they received no income and paid royalties on all their production, and the Executives of the Owens-Illinois Company feel that when they are making this deal which puts them in that position with reference to feeders and formers, they should protect themselves to the extent of the suction rights above asked for.

CBB-AJC.

[fol. 61391] GOVERNMENT EXHIBIT No. 1779

Memorandum to: Mr. F. Goodwin Smith

From: A. T. Safford, Jr. Dec. 5, 1932.

Subject: Headley and Thompson Option

I. Recommendation—It is my opinion that the option for the Headley and Thompson applications should be continued at a figure not to exceed $2500 per month, and much less if possible. In addition, the scope of the option should be enlarged so that we can have any one of the following alternatives—

(a) To purchase the patents

(b) To take an exclusive license

(c) To take a non-exclusive license with rights to license any forming machine except one not supplied by Hartford and used by a company not a feeder licensee of Hartford

(d) To take a non-exclusive license with rights to license any forming machine built or supplied by Hartford and/or Owens and licensed to a Hartford feeder licensee.

Further, the payments for either sort of a license should be reduced in proportion to the reduction in the option payments, and the earned royalties payable by Hartford to Whitall Tatum should be based upon the royalties actually

collected by Hartford and it should be clear that Whitall Tatum so understands this.

II. There are so many factors involved in this entire situation that any decision is extremely difficult and involves many future factors which can not be accurately gauged, but I believe existing circumstances warrant the recommendation. I shall first set out a few of the dangers of the present contract, Section III, then reasons for surrendering the option, Section IV, then why, in spite of these reasons, the option should be continued, Section V, and then the reasons for its recommended form.

[fol. 61392] III. Dangers of Present Contract

The present Forming Machine Agreement between Whitall Tatum Company and Hartford-Empire Company, dated June 1, 1929, together with the Feeder Agreement and the Supplement Agreement contain a number of provisions, the effect of which has been radically changed because of events intervening since the contract was first executed.

1. Effect Upon Owens and Hazel. Under the July 1, 1932 contracts with Owens and Hazel they automatically hold a license under H & T if we take up the option, whether for the exclusive or the non-exclusive. This license is royalty free as to them until such time as we are collecting royalties from other persons for the same type of machine as Owens and Hazel are using. At such time not all Hazel and Owens formers pay royalties, but only a number of machines equal to the number of outside formers of the same type for which we are receiving royalties. Suppose Hazel and Owens are each now using fifteen Lynch LA's; we should have to be collecting royalties on at least 15 Lynch LA's outside of Owens and Hazel before we could collect from them on this number. This means that if we took an exclusive or a non-exclusive license we would be obligated to pay W-T royalties for Hazel and Owens without the possibility of any return.

2. Excessive Cost of the Licenses. What the licenses may cost is purely conjectural. Any estimate depends upon the basic assumption that the gob-fed narrow neck process will continue in about its present proportions. With this assumption and certain others, as set out in Schedule A attached hereto, I estimate that an exclusive license under

the contract as drawn will cost $4,700,000. This figure is large, but is conservatively figured. It is to be noticed that of this amount $1,000,000 is fixed regardless of the persons whom we may license. The balance of the figure rests upon the premise we shall license all our present licensees.

The non-exclusive is also most costly—See Schedule B. Assuming we licensed only our own machines now leased, together with the Owens and Hazel formers, I figure the non-exclusive would cost us approximately $500,000. This takes into consideration the future licensing of only 25 more I-S Machines or the use of such number of additional narrow necks by Owens and Hazel.

3. Whitall Tatum's Right to Cancel Feeder Licenses. Under the forming machine contract Whitall Tatum may [fol. 61393] cancel its feeder licenses in the event we surrender the option, cancel the agreement or take a non-exclusive license. This puts them in a position, which no other licensee has, of being able to terminate their contracts without the payment of minimums. This is another of those exceptions to our licensing system which may disturb our relations with our other licensees, and while it may now be a justifiable exception it may become less of a one as time goes on.

4. Little Practical Distinction Between Non-Exclusive and Exclusive. As explained above, the minimum payments for the exclusive amount to over a million, while those for the non-exclusive probably will not amount to over sixty thousand. On the other hand, the only class of formers which Hartford can't license under the non-exclusive is a forming machine not owned, controlled and supplied by Hartford, which is used by a party which, at the present time, is not a Hartford feeder licensee.

Practically the only people we can't license, therefore, are the present pirates, and this number represents not over a hundred formers. In other words, the relative cost of the exclusive and the non-exclusive is not merited by the number of machines which can be licensed, and to my way of thinking the non-exclusive price is much more equitable than that for the exclusive.

5. Whitall Tatum's Right to Sue Our Licensees. By the agreement, W-T agrees not to sue any of our feeder licensees, except as the Supplement Agreement permits. This

latter allows them to sue certain named glass companies, some of which are now our licensees, but were not our licensees in 1929.

Owing to changed conditions, therefore, there are now very few non-licensee narrow neck users, and this number will lessen as time goes on. Besides that, such concerns as are left will be small and relatively unimportant; they will probably not have sufficient resources to put up a stiff fight and set up adequate defense. Consequently, if Whitall Tatum brings suit, as provided for by the contract, any adjudication on the patent will be incomplete and unsatisfactory. We shall probably have to permit them to sue some of our licensees, but if it is against any of our former licensees we shall have to defend the suit.

[fol. 61394] 6. Participation in Collected Income. The contract now reads that we pay to Whitall Tatum a participation in Hartford's collected income from licenses. When this contract was drawn, I don't believe anyone contemplated the possibility of Hartford being unable to collect any income from its licensees for the use of formers covered by W-T's forming machine. I think the intent of the contract was that Hartford should pay W-T at the rate agreed upon, but that actual transmission of payment should not take place until Hartford had actually collected the money. The contract should be changed to make the understanding perfectly clear, and if this is unacceptable to W-T we shall have to raise the minimums.

IV. Reasons for Surrendering Option—There are just as good reasons for surrendering the option as there are for taking it up, and if it wasn't for the fact that Owens is involved I should suggest throwing down the entire proposition.

1. Weakness of Headley and Thompson. Of course, one person's guess is pretty nearly as good as another's as to the Headley and Thompson application and the possibility of their issuing as patents with broad claims dominating the narrow neck process. It is clear, however, that they have certain weaknesses which might compel a court to resolve equities against them.

In the first place, the patents, when they finally issue, will have had a strenuously long history in the patent office. They were filed in 1914 and according to conservative

estimates, will not issue before 1934—a prosecution of twenty years. This in itself is no bar to validity, but on its face makes the patent smell badly.

In the second place, the machines covered by the applications never went into any widespread commercial use or were a major factor in the development of the forming machine art. The machine covered by the earlier of the two applications—the more automatic of the two machines—operated for only two fires; the second machine had a hand feed, hand transfer and hand take-out, but was very successful for Whitall Tatum's purposes. About a dozen of the machines were operated there, but they were never used in any other factories. The best we can say about them is that they were good semi-automatic machines, but in no way [fol. 61395] are they entitled to the credit of an invention which revolutionized an industry. In other words, any patents which issue covering the H & T inventions are mere "paper" patents and haven't the backing of commercial success which would enable a judge like Buffington to consider the inventions had really done something and were entitled to a wide monopoly in the forming art.

2. Future of the I. S. Machine. Whatever may be the possibility of the Headley and Thompson applications issuing into patents with claims which dominate the Lynch machines the situation becomes even less sure in the case of the Hartford Individual Section Machine.

The early Headley and Thompson machines related to rotary machines, and these are a far cry from the individual action of the sections in the I. S. machine. Putting it another way, if you look at the pictures of the early machines it is hard to conceive that the inventors had in mind the studied intricacies of the I. S. I also understand that in event a suit were brought against the I. S. on any claims in the H & T applications issuing into patents that certain prior art not "pat" in a suit against a rotary machine would then become valuable. To sum up, it is doubtful if the I. S. machine could be stopped.

A number of the claims in the H & T applications which might read on the I. S. cover settle blowing down through a funnel. Recent developments, however, take away the importance of this feature. If the plunger settle is to become as important as we now anticipate, settle blowing by air while still necessary in numerous instances will become of

relatively less importance for the general line of commercial containers. Also, at the instigation of Hatch, a device has been put on paper which gets around the H & T claims which are dangerous as to the I. S. This is exactly the same device which was applied to the narrow neck machine for the purpose of getting around the same claims. This modification, I understand, both Ingle and Lorenz approve, and does not impair the efficiency of the machine.

I have stressed this relation between Headley and Thompson and the I. S. machine, because the latter is apparently [fol. 61396] going to play such a large part in our future developments. The progress of the unit plan and our economic studies have all been devoted to the adoption of the I. S. as a universal machine, and all our stress has been laid upon the possibility of standardizing this machine and its practices to the exclusion of all other kinds. If, therefore, the I. S. is to be *the* forming machine upon which we shall concentrate, H & T becomes almost a negligible factor in our calculations, and its possible dominance becomes more remote.

3. Negligible Return on Investment in H & T. It is the natural question before expending any money to ask what the return on the investment will be. The greatest difficulty in this whole H & T situation is that there is no definite picture of any return compensation for the tremendous sums to be spent. As I look at the situation, there are substantially two ways in which the H & T rights will be valuable to us, but it is hard to see in them the justification for paying out what we are obligated for.

(a) Returns from the Lynch Deal. One way of partially regaining our investment in H & T will be from its value in a possible deal with Lynch. Lynch has offered very strenuous opposition in the Patent Office to the issuance of any patents and this fact alone would be of considerable argumentative value in a suit against Lynch when the question of infringement comes up. It is a fair statement to say that H & T will be stronger against Lynch than any other user.

Suppose we do make a deal with Lynch, what return can we expect. Assume for the license we receive $1500 per former. I calculate that Lynch might sell not over 350 more machines.

500 possible narrow neck machines in U. S.
50 " Lynch 10's already sold

450
50 10% less demand for machines owing to increased speeds and greater cost

400
50 Possible I. S.'s to be licensed

350

This would mean a return of perhaps $525,000 from Lynch as a result of our license, but I have a feeling from an ag- [fol. 61397] gregate of causes, such as sales resistance to a high priced Lynch, possible new competitors, a widespread acceptance of the I. S. or some other Hartford machine that we should never realize this entire sum. This return would compensate us only for half the fixed payments for the exclusive under the present contract.

There are additional facts to be considered in connection with a deal with Lynch. The H & T license has only a partial value in the deal with Lynch. We have other patents which our Patent Department believes go to the fundamentals of the Lynch system, particularly those which cover the overlapping cycle. In other words, we could not attribute the entire Lynch deal to the fact of our having H & T and the returns from Lynch theoretically, therefore, could not entirely be measured against the cost of H & T.

Also, in the event we deal with Lynch, Hazel would get one-third of the license fees or royalties on each machine proportionately reducing the return which Hartford and Owens would realize from the deal, and consequently there would be just so much less for computing the value of H & T to us as far as the Lynch deal is concerned. In conclusion, as to this, it is pretty clear that however much we make from the Lynch it will nowhere near, theoretically at least and probably practically, compensate for the large investment in H & T.

(b) No Royalty Return from Licenses. I do not believe that Hartford-Empire Company will ever be able to get much return in the form of royalties from narrow neck users. We have made damage settlements with many of them, and have received royalties in large amounts from them for a number of years. All during this time we have

known of the applications, and, if upon the issuance of the patents, we turn around and try to get more money from them for patents of doubtful validity it will cause much resentment, a long fight and a weakening of our entire license structure. In my opinion good licensees, like Maryland or Hamilton, would be pretty sore at us.

Two years from now I doubt if there will be many feeder users not under license, and consequently the returns possible under H & T from non-feeder licensees will be almost negligible.

[fol. 61398] V. Reasons for not Surrendering Option—Whatever we may think of the H & T situation we still have Owens to consider. Under the terms of our arrangement with them we can't surrender the option or take a license without their consent. According to Brown, their present attitude is to go along with the option if the price can approximately be cut in half. Their reasons, of course, are generally sound, and are somewhat as follows—

1. H & T Prop to Feeder Situation. One of the original reasons for the option on H & T was to secure a possible club in case the feeder situation fell. So far the feeder suits have been generally to our advantage, but the situation is yet by no means perfect. Air feeders haven't been settled and Hazel is yet not fully within the fold. These suggest that it is still too early to tell how we are going to come out, and it is best to hang on to the option a little longer.

2. Forming Machine "Trust." Particularly in the minds of the Owens people there is a picture of a possible combination of all the forming machine interests. Regardless of what Hartford sees in this, it is a possibility and in case it took place the H & T applications would assume a necessary and important place. They would act as an effective club in making the deal probable, and would constitute a guise for making the combination lawful.

3. Heavy Investment to Date. Between them, and including the feeder royalty rebates, Hartford and Owens have already sunk some $643,000 in H & T. To protect the investment already made it may be necessary to take a non-exclusive. It is one of these things more expensive to drop than to continue. This point is more important to the Owens people than to us, mainly because they are manufacturers and we are essentially developers who must be

willing to try things upon which an investment is not immediately returnable. Also, if the H & T applications issue as dominant patents, Owens is liable to suit for using their old AY's, the Hartford narrow necks, in addition to such Lynch machines as they may have, and the possibility of production being interfered — which is an alarming possibility to any manufacturer.

4. Insurance Against Suit. If W. T. should finally attain dominant patents as a result of H-T, it might bring suit [fol. 61399] against us for having made forming machines, or against a licensee whom we are obligated to defend. To defend such a suit would necessitate large outlays of time and money, and regardless of the outcome of the suit would cause considerable inconvenience. Avoiding this possibility it worth something to us, and we can afford to pay certain sums as an insurance premium, so as to speak, against suit. I do not believe that this, however, particularly in view of the weakness of the patents, is worth any more than $100,000 to us.

VI. Reasons for Recommendation.

(a) The chief reasons for recommending continuance of the option is out of deference for Owens' wishes. It is very clear, however, that the price of the option and the licenses is too high. The delay in the issuance of the patents has exceeded all expectations and it will be five years more before they can be adjudicated. In addition, the longer the time which elapses until the issuance of the patents the less chance of their being upheld.

(b) We have suggested an additional option alternative. This is to take care of the Hazel situation. It puts Hartford and Owens in a position to protect their own machinery without licensing Hazel. Then if Hazel threatens to get out of our contract within the next year or two we can threaten to take the limited non-exclusive, leaving Hazel with the possibility of a suit from Whitall Tatum in addition to one by us.

I have summarized in Schedule C the important factors involved in this entire matter.

ATS:RLB.

[fol. 61400] Schedule A

Cost of Exclusive Under Present Contract

1. Assumptions.
   1. Estimated No. of machines now licensed and covered by H-T claims, 357.
   2. Average wt. of ware made on H-E machines, 11.4 oz.
   3. Average yearly gross per feeder, 32,963 gross.
   4. Combined feeder and IS royalty for 11.4 oz., 16½¢.
   5. Estimated Shop Right to W-T, 25 machines.
2. Royalty payable by H-E to W-T for exclusive by contract, 13 1/3% of combined feeder and former royalty.
3. Royalty payable per machine per year to W-T ($.165 x 13 1/3% x 32,963 gross), $725.19.
4. Total annual royalty ($725.19 x 357—25 machines), 216,106.62.
5. Earned royalty cost of exclusive license ($216,106.62 x 17), 3,673,812.54.
6. Additional royalty payable per year under contract ($60,000 per year x 17), 1,020,000.00.

Cost of exclusive license, 4,693,812.54

(If anything, this is small owing to small number of formers used).

[fol. 61401] Schedule B

Cost of Non-Exclusive Under Contract

Royalty payable until six months after issuance of patents, $2500.

Estimated time of issuance of patents, May 1934.

1. Fixed payments due under contract, $57,500.
2. H-E formers now operating, 22.
3. Machines operating at Owens and Hazel, 35.
4. Probable increase in number either by H-E licenses or O-H-A purchases, 25.
5. Total number of machines to be licensed, 77.
6. Estimated royalty for narrow neck, 15% of HSF.
7. Rate for 11.4 oz. ware per gross, $.024.

8. Royalty per machine per year, $659.26.
9. Pay one-half (½) to W-T, $329.63.
10. Cost of non-exclusive (77 x 329.63 x 17 years + $57,500, $488,985.67.

[fol. 61402] Schedule C

12/5/32

Summary of H & T Situation

Dangers of Present Contract

1. Hazel and Owens automatically hold license royalty free until others are licensed.

2. Excessive cost of licenses from now on—exclusive, 4,700,000—non-exclusive, 500,000.

3. Difference in cost between exclusive and non-exclusive not justified by practical effect.

4. W-T's right to cancel feeder licenses if H-E surrenders or takes non-exclusive.

5. If W-T is not permitted to sue H-E licensees, no adequate adjudication possible.

6. Contract not clear to whether H-E pays royalties to W-T whether collected or not.

Surrender of Option

Reasons For	Reasons Against
1. Weakness of H & T patent situation. a. Long pendency of applications. b. Small impression of inventions on glass art.	1. Second line of defense to feeder patent situation.
2. Future pre-dominance of IS machine as Hartford former and remote possibility of its being dominated by H & T (Danger point may be avoided by plunger settle and/or by narrow neck device).	2. Value in event of Forming machine combination.
3. Small Possible Return on Investment. a. Not much from Lynch deal (H-A shares in Lynch income). b. No additional royalty return from our present licensees.	3. Heavy investment to date necessitates some license.
4. Anti-Trust danger—aggregation of too many patents and licenses.	4. Some insurance against suit necessary.
	5. Possibility for added royalty income from licensees.
	6. Free license to licensees valuable contribution to good will.
	7. Owens wants license.

Advantages of Non-Exclusive Over Exclusive

1. Less cost.

2. Protection for our machines only and those of Hazel and Owens.

3. No responsibilities for litigating patents.

4. We can offer to those in danger from Whitall Tatum suit our own machines already licensed by W-T.

Recommendation

1. Option to be continued.

2. Figures to be at least halved.

3. H-E to get additional option alternative—non-exclusive to license any former built by Hartford and/or Owens, and licensed to a Hartford feeder licensee.

4. Earned royalties payable by H-E to W-T only when collected by H-E from its licensees.

GOVERNMENT EXHIBIT No. 1780

GEORGE S. OLIVE
AND
PACE, GORE & McLAREN
Accountants and Auditors
333 CHAMBER OF COMMERCE BLDG.
INDIANAPOLIS, INDIANA

December 15, 1931

Mr. T. C. Fulton,
General Glass Corporation,
Lancaster, Ohio.

Dear Mr. Fulton:

I am enclosing herewith, in duplicate, the following exhibits covering my examination of Monongah Glass Company for the twelve four-week periods ended November 28, 1931:

Exhibit A--Statement of profit and loss for the period

Exhibit B--Statement of financial condition at November 28, 1931, before sale of assets

Exhibit C--Analysis of deficit for twelve four-week periods ended November 28, 1931

Exhibit D--Journal entries reflecting sale of assets

Also, in duplicate, the following exhibits in connection with the opening of books for Monongah Glass Corporation and the sale of its assets at November 28, 1931:

Exhibit A--Analysis of inventories acquired and sold

Exhibit B--Opening journal entries

Exhibit C--Statement of financial condition at November 28, 1931, after opening books and before sale of certain assets to General Glass Corporation

PERMISSION TO PUBLISH EXCERPTS FROM THIS REPORT OR REFERENCES THERETO WITH MENTION OF OUR NAME IS WITHHELD UNTIL THE FORM AND SUBSTANCE OF SUCH EXCERPTS OR REFERENCES ARE APPROVED BY US

Exhibit D--Journal entries reflecting sale of certain assets to General Glass Corporation

Exhibit E--Statement of financial condition after sale of certain assets to General Glass Corporation

Also, in duplicate, journal entries to be made by General Glass Corporation to record the purchase of certain assets of the Monongah Glass Corporation.

Monongah Glass Company did not maintain a plant ledger covering its real estate, buildings, machinery, and equipment, the only record being the schedule of plant and depreciation reserves included in the audit report for each year. For the purpose of keeping this plant record up to date, I am enclosing, in duplicate, the plant and depreciation record of Monongah Glass Company at November 28, 1931, together with a schedule showing the values placed on the various items thereof by Monongah Glass Corporation, representing the cost to the corporation.

The books of account of the Monongah Glass Company have been closed in accordance with the entries enclosed herewith and in accordance with the terms of the various agreements entered into between the parties in connection with the transfer and sale of the assets.

The books of account of Monongah Glass Corporation were opened in accordance with the entries in exhibit B of that corporation attached hereto, the sale of a part of its assets recorded and the books of account after the sale were in agreement with exhibit E of the Monongah Glass Corporation attached hereto.

A copy of the entries to be placed on the books or account of General Glass Corporation was furnished you on December 10, 1931, at Fairmont, West Virginia, for use at Lancaster, Ohio, before the enclosed copies were received.

Yours very truly,

Geo. E. Olive C. P. A.

Member American Institute of Accountants

Exhibit A

MONONGAH GLASS COMPANY

Statement of Profit and Loss, Twelve Four-Week Periods Ended November 28, 1931

SALES:		
Gross sales	$1,601,048.39	
Deduct: Returns, allowances, and outbound freight	167,950.27	
Net sales		31.433,098.12
COST OF GOODS SOLD:		
Inventory finished ware, December 27, 1930	176,471.40	
Manufacturing expense	1,204,451.15	
Ware purchased for resale	9,964.86	
	1,390,887.41	
Inventory finished ware, November 28, 1931	166,722.77	
		1,224,164.64
GROSS PROFIT ON SALES		208,933.48
EXPENSES:		
Selling	68,816.84	
Shipping	31,094.66	
Administration	43,778.45	
		143,689.95
NET PROFIT ON SALES		65,243.53
OTHER INCOME:		
Profit on purchase of Turner note	98,000.00	
Rents received	10,592.27	
Discount earned	8,028.32	
Profit on bonds purchased	5,125.00	
Interest earned	4,981.51	
Miscellaneous income	1,544.71	
Dividends received	720.00	
Miscellaneous sales	692.09	
Recovery of accounts previously written off	594.33	
		130,278.23
		195,521.76
DEDUCTIONS FROM INCOME:		
Bond interest	25,330.51	
Discount allowed	13,635.41	
Interest--other than bond interest	12,811.69	
Taxes withheld at source	281.75	
Subsidiary company expense	136.80	
Loss on cancellation of leases covering feeders, presses, and lehrs	107,498.89	
Loss on endorsement of subsidiary company notes and interest	6,321.14	
		166,016.17
NET INCOME--exhibit C		$ 29,505.59

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Statement of Financial Condition at November 28, 1931, Before Sale of Assets

ASSETS

CURRENT ASSETS:			
Cash--imprest funds	$ 1,050.00		
On deposit--National Bank of Fairmont	60,064.07		
		$ 61,114.07	
Accounts receivable--trade	58,806.18		
Notes and acceptances receivable--trade	685.00		
		59,491.18	
Inventories--materials	62,755.76		
do. --finished ware	166,722.77		
		229,478.53	
Total current assets			$ 350,083.78
SINKING FUND--deposited with trustee under mortgage			18,117.51
INVESTMENTS:			
Fairmont Box Company, 120 shares common stock--at cost		6,000.00	
Industrial Homes Company, 5 shares do. -- do.		500.00	
			6,500.00
PLANT, EQUIPMENT, AND SECURITIES SUBJECT TO MORTGAGE:			
Atlantic Coal Company, 1,000 shares common stock--at cost		100,000.00	
Plant and equipment	1,710,890.60		
Deduct: Reserve for depreciation	807,061.11		
		903,829.49	
			1,003,829.49
DEFERRED CHARGES:			
Cash on deposit--Union National Bank--in receivership		3,698.77	
John Herzog & Son--balance on purchase of Lime Company		10,564.04	
Prepaid insurance		5,768.87	
Prepaid natural gas expense		739.38	
Prepaid local and state taxes		759.58	
			21,550.64
			$1,400,081.42

LIABILITIES, CAP

CURRENT LIABILITIES:	
Accounts payable--trade	
Accrued pay roll	
Accrued royalty--current ope	
Accrued commissions	
Accrued West Virginia State	
Accrued federal tax withheld	
Accrued royalty--prior to Ma	
Accrued interest on notes du	
Accrued bond interest	
Total current liabilities	
NOTES PAYABLE--Union National	
NOTES PAYABLE--due October 31	
Fairmont Box Company	
Hartford-Empire Company	
MORTGAGE LIABILITIES:	
First mortgage bonds, 6 per October 1, 1931, 7 per ce	
CAPITAL AND DEFICIT:	
Preferred stock--7 per cent Outstanding 13,706 shares	
Common stock--$50 par value Outstanding 13,410 shares	
Deficit	

NOTE 1: Dividends on preferred stock in arrears since October 1, 1924.

Indianapolis, Ind.
December 15, 1931

MONONGAH GLASS COMPANY

Statement of Financial Condition at November 28, 1931,
Before Sale of Assets

Exhibit B

			LIABILITIES, CAPITAL, AND DEFICIT		
			CURRENT LIABILITIES:		
			Accounts payable--trade	$ 5,077.28	
			Accrued pay roll	3,248.06	
	$ 61,114.07		Accrued royalty--current operations	3,088.00	
			Accrued commissions	784.20	
	59,491.18		Accrued West Virginia State gross sales tax	271.84	
			Accrued federal tax withheld at source on bond interest	240.83	
					$ 12,710.21
	229,478.53		Accrued royalty--prior to May 16, 1931	36,177.86	
			Accrued interest on notes due October 31, 1932	17,418.66	
		$ 350,083.78	Accrued bond interest	3,987.42	
					57,583.94
		18,117.51	Total current liabilities		70,294.15
			NOTES PAYABLE--Union National Bank (including interest)		6,321.14
	6,000.00		**NOTES PAYABLE--due October 31, 1932:**		
	500.00				
		6,500.00	Fairmont Box Company	116,000.00	
			Hartford-Empire Company	68,000.00	
					184,000.00
	100,000.00		**MORTGAGE LIABILITIES:**		
			First mortgage bonds, 6 per cent for 3 years from October 1, 1931, 7 per cent to maturity October 1, 1943		405,500.00
	903,829.49				
		1,003,829.49			
					666,115.29
			CAPITAL AND DEFICIT:		
	3,698.77				
	10,564.04		Preferred stock--7 per cent cumulative $50 par value:		
	5,768.87		Outstanding 13,706 shares--see note 1	685,300.00	
	739.38		Common stock--$50 par value:		
	759.58		Outstanding 13,410 shares	$670,500.00	
		21,550.64	Deficit	621,833.87	
				48,666.13	
					733,966.13
		$1,400,081.42			$1,400,081.42

October 1, 1924.

Exhibit C

MONONGAH GLASS COMPANY

Analysis of Deficit, Twelve Four-Week Periods Ended November 28, 1931

BALANCE, DECEMBER 27, 1930, PER AUDIT REPORT		$543,041.02
ADDITIONS:		
Accounts receivable suspense	$67,144.03	
Bond discount	36,991.44	
Financing expense	21,486.63	
Preferred stock discount	12,126.34	
		137,748.44
		680,789.46
DEDUCTIONS:		
Preferred stock held as collateral		29,450.00
ADJUSTED BALANCE, DECEMBER 27, 1930		651,339.46
DEDUCTIONS:		
Net income for twelve four-week periods ended November 28, 1931--exhibit A		29,505.59
BALANCE, NOVEMBER 28, 1931--exhibit B		$621,833.87

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[fol. 61409] EXHIBIT D

Monongah Glass Company

Entries to Reflect Sale of Assets to Monongah Glass Corporation, November 28, 1931

Note: Body of exhibit D not printed.

[fol. 61410] EXHIBIT A

Monongah Glass Corporation

Analysis of Inventories Acquired and Sold, November 28, 1931

Note: Body of exhibit A not printed.

[fol. 61411] EXHIBIT B

Monongah Glass Corporation

Opening Entries at November 28, 1931

Note: Body of exhibit B not printed.

(Here follows 1 photolithograph, side folio 61412)

MONONGAH GLASS CORPORATION

Statement of Financial Condition at November 28, 1931,
Opening Statement Before Sale to General Glass Corporation

ASSETS

CURRENT ASSETS:

Cash--imprest funds	$ 1,050.00		
On deposit--National Bank of Fairmont	60,064.07		
		$ 61,114.07	
Accounts receivable--trade	54,174.57		
Notes and acceptances receivable--trade	685.00		
		54,859.57	
Inventories--raw material	41,646.34		
do. --finished ware	74,944.67		
		116,591.01	
Total current assets			$232,564.65

INVESTMENTS:

Fairmont Box Company, 120 shares common stock	6,000.00		
Industrial Homes Company, 5 shares common stock	500.00		
			6,500.00

PLANT, EQUIPMENT, AND SECURITIES SUBJECT TO MORTGAGE:

Atlantic Coal Company, 1,000 shares common stock	100,000.00		
Real estate, plant, and equipment	287,382.49		
Sinking fund--deposited with trustee under mortgage	18,117.51		
			405,500.00

DEFERRED CHARGES:

Organization expense	750.00		
Cash on deposit--Union National Bank in receivership	3,698.77		
John Herzog & Son--balance on purchase of Lime Company	10,564.04		
Prepaid insurance	5,788.87		
Prepaid natural gas expense	739.38		
Prepaid state and local taxes	759.58		
			22,300.64
			$666,865.29

Indianapolis, Ind.
December 15, 1931

LIABILITIES AN

CURRENT LIABILITIES:

Accounts payable--trade	
Accrued pay roll	
Accrued royalty--current oper	
Commissions payable	
Accrued West Virginia gross	
Accrued federal taxes withhel	
Accrued royalty--prior to May	
Accrued interest on notes due	
Accrued bond interest	
Total current liabilities	

NOTES PAYABLE--Union National B

NOTES PAYABLE--Due October 31,

Fairmont Box Company	
Hartford-Empire Company	

MORTGAGE LIABILITIES:

First mortgage bonds, 6 per c
October 1, 1931, 7 per cent

CAPITAL STOCK:

Common stock--no par value:
Authorized 1,[illegible]00 shares
Unissued [illegible]70 shares
Issued [illegible]30 shares o

MONONGAH GLASS CORPORATION

Statement of Financial Condition at November 28, 1931,
Opening Statement Before Sale to General Glass Corporation

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:

.00			Accounts payable--trade	$ 5,077.28	
.07			Accrued pay roll	3,248.06	
	$ 61,114.07		Accrued royalty--current operations	3,088.00	
.57			Commissions payable	784.20	
.00			Accrued West Virginia gross sales tax	271.84	
	54,859.57		Accrued federal taxes withheld at source	240.83	
.34					$ 12,710.21
.67			Accrued royalty--prior to May 16, 1931	36,177.86	
	116,591.01		Accrued interest on notes due October 31, 1932	17,418.66	
			Accrued bond interest	3,987.42	
		$232,564.65			57,583.94
			Total current liabilities		$ 70,294.15
	6,000.00		NOTES PAYABLE--Union National Bank		6,321.14
	500.00				
		6,500.00	NOTES PAYABLE--Due October 31, 1932:		
			Fairmont Box Company	116,000.00	
			Hartford-Empire Company	68,000.00	
	100,000.00				184,000.00
	287,382.49		MORTGAGE LIABILITIES:		
	18,117.51				
		405,500.00	First mortgage bonds, 6 per cent for 3 years from October 1, 1931, 7 per cent to maturity October , 1943		405,500.00
	750.00		CAPITAL STOCK:		
	3,698.77				
	10,564.04		Common stock--no par value:		
	5,788.87		Authorized 1,[illegible]00 shares		
	739.38		Unissued [illegible]70 shares		
	759.58		Issued [illegible]30 shares @ $25 per share		750.00
		22,300.64			
		$666,865.29			$666,865.29

61412

[fol. 61413] EXHIBIT D

Monongah Glass Corporation

Entries to Record Sale at November 28, 1931, to General Glass Corporation

Note: Body of exhibit D not printed.

(Here follow 4 photolithographs, side folios 61414-61417)

Exhibit F

MONONGAH GLASS CORPORATION

Statement of Financial Condition at November 28, 1931,
After Sale of Assets to General Glass Corporation

ASSETS

PLANT, ETC.:

Atlantic Coal Company common stock . .	$100,000.00	
Real estate, plant, and equipment . .	287,382.49	
Sinking fund--deposits with trustee under mortgage	18,117.51	
		$405,500.00

DEFERRED CHARGES:

Exhibit E

MONONGAH GLASS CORPORATION

Statement of Financial Condition at November 28, 1931,
After Sale of Assets to General Glass Corporation

ASSETS

PLANT, ETC.:		
Atlantic Coal Company common stock . .	$100,000.00	
Real estate, plant, and equipment . .	287,382.49	
Sinking fund--deposits with trustee under mortgage	18,117.51	
		$405,500.00
DEFERRED CHARGES:		
Organization expense		750.00
		$406,250.00

LIABILITIES, CAPITAL, AND DEFICIT

First mortgage bonds 6 per cent to October 1, 1934, 7 per cent to maturity October 1, 1943	$405,500.00
CAPITAL AND DEFICIT:	
Common stock--no par:	
Authorized 1,000 shares	
Unissued 970 do.	
Issued 30 do. @ $25	750.00
	$406,250.00

Indianapolis, Ind.
December 15, 1931

61414

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MONONGAH GLASS COMPANY

Plant Assets and Depreciation Reserve at November 28, 1931

Description	Cost December 27, 1930	Additions	Deductions	Cost November 28, 1931	Yearly Depreciation Rate	Reserve for Depreciation December 27, 1930	Depreciati 12 Period 1931
REAL ESTATE	$ 95,389.58			$ 95,389.58			
BUILDINGS AND FIXTURES:							
Factory No. 1	43,518.02	$	$	43,518.02	....%	$ 41,670.56	$ ...
Factory No. 2	69,920.35	.....	.....	69,920.35	....	65,351.68	...
Factory No. 3 and power house.	63,222.32	.....	.....	63,222.32	....	50,159.91	...
Factory No. 4	27,093.03	.....	.....	27,093.03	....	13,703.47	...
Factory No. 6	413,976.94	.....	.....	413,976.94	2.0	137,203.51	7,64
Administration building . . .	13,975.35	.....	.....	13,975.35	....	10,311.39	...
Cooperage shop and hay shed .	25,736.36	.....	.....	25,736.36	3.0	6,935.09	71
Dwellings	2,641.76	.....	.....	2,641.76	....	1,320.88	...
Mold shop	71,514.05	.....	.....	71,514.05	2.0	23,583.26	1,32
Totals	731,598.18	.....	.....	731,598.18		350,239.75	9,67
MACHINERY AND TOOLS:							
Factory No. 1	31,254.79	.....	.....	31,254.79	....	30,807.27	...
Factory No. 3 and automatics .	64,832.68	.....	.....	64,832.68	10.0	61,382.64	3,18
Factory No. 3 and power house.	81,660.10	.....	.....	81,660.10	10.0	54,367.67	2,12
Factory No. 6	10,616.44	.....	.....	10,616.44	10.0	580.62	97
Factory No. 6 and automatics .	49,632.17	.....	.....	49,632.17	10.0	2,133.37	4,58
Mold shop	432.32	.....	.....	432.32	10.0	64.84	3
Tinners shop	1,487.36	.....	.....	1,487.36	10.0	1,302.72	13
Automatic machines tank No. 4.	79,102.73	.....	.....	79,102.73	10.0	39,758.25	7,30
Gas producers No. 6	196,668.33	.....	.....	196,668.33	6.0	93,162.35	10,89
Conveyors	3,190.73	.....	.....	3,190.73	10.0	957.21	29
Opal batch system	2,766.30	.....	.....	2,766.30	....	1,244.83	...
Opal molds	2,895.63	.....	2,895.63	.....	....	.....	...
Mold opening device	5,511.09	.....	.....	5,511.09	....	.....	...
Molds	89,351.01	2,895.63	.....	92,246.64	....	.....	...
Factory No. 2	12,785.81	.....	.....	12,785.81	....	.....	...
Totals	632,187.49	2,895.63	2,895.63	632,187.49		285,761.77	29,53
Forward	$1,459,175.25	$2,895.63	$ 2,895.63	$1,459,175.25		$ 636,001.52	$ 39,21

MONONGAH GLASS COMPANY

Sheet 1

ets and Depreciation Reserve at November 28, 1931

Cost November 28, 1931	Yearly Depreciation Rate	Reserve for Depreciation December 27, 1930	Depreciation 12 Periods 1931	Charges to Reserve	Reserve for Depreciation November 28, 1931	Net Sound Value	Cost to Monongah Glass Corporation
$ 95,389.58						$ 95,389.58	$ 30,330.07
43,518.02	....%	$ 41,670.56	$	$	$ 41,670.56	1,847.46	587.42
69,920.35	....	65,351.68	.....	.....	65,351.68	4,568.67	1,452.65
63,222.32	....	50,159.91	.....	.....	50,159.91	13,062.41	4,153.33
27,093.03	....	13,703.47	.....	.....	13,703.47	13,389.56	4,257.35
413,976.94	2.0	137,203.51	7,642.66	.....	144,846.17	269,130.77	85,572.82
13,975.35	....	10,311.39	.....	.....	10,311.39	3,663.96	1,164.99
25,736.36	3.0	6,935.09	712.69	.....	7,647.78	18,088.58	5,751.44
2,641.76	....	1,320.88	.....	.....	1,320.88	1,320.88	419.99
71,514.05	2.0	23,583.26	1,320.26	.....	24,903.52	46,610.53	14,820.28
731,598.18		350,239.75	9,675.61	.....	359,915.36	371,682.82	118,180.27
31,254.79	....	30,807.27	.....	.....	30,807.27	447.52	142.29
64,832.68	10.0	61,382.64	3,184.65	.....	64,567.29	265.39	84.38
81,660.10	10.0	54,367.67	2,123.51	.....	56,491.18	25,168.92	8,002.71
10,616.44	10.0	580.62	979.98	.....	1,560.60	9,055.84	2,879.39
49,632.17	10.0	2,133.37	4,581.43	.....	6,714.80	42,917.37	13,646.02
432.32	10.0	64.84	39.91	.....	104.75	327.57	104.15
1,487.36	10.0	1,302.72	137.30	.....	1,440.02	47.34	15.05
79,102.73	10.0	39,758.25	7,301.78	.....	47,060.03	32,042.70	10,188.30
196,668.33	6.0	93,162.35	10,892.40	.....	104,054.75	92,613.58	29,447.41
3,190.73	10.0	957.21	294.53	.....	1,251.74	1,938.99	616.52
2,766.30	....	1,244.83	.....	.....	1,244.83	1,521.47	483.77
.....	....	.....	.....	.....	.....	.....	.....
5,511.09	....	.....	.....	.....	.....	5,511.09	1,752.31
92,246.64	....	.....	.....	.....	.....	92,246.64	29,330.74
12,785.81	....	.....	.....	.....	.....	12,785.81	4,065.38
632,187.49		285,761.77	29,535.49	.....	315,297.26	316,890.23	100,758.42
$1,459,175.25		$ 636,001.52	$ 39,211.10	$	$ 675,212.62	$ 783,962.63	$249,268.76

61415

MONONGAH GLASS COMPANY
Plant Assets and Depreciation Reserve at November 28, 1931

Description	Cost December 27, 1930	Additions	Deductions	Cost November 28, 1931	Yearly Depreciation Rate	Reserve for Depreciation December 27, 1930	Deprec 12 Pe 19
Brought forward	$1,459,175.25	$2,895.63	$ 2,895.63	$1,459,175.25		$ 636,001.52	$ 39,
MISCELLANEOUS EQUIPMENT:							
Office equipment	426.73	764.48	.....	1,191.21	10.0%	64.01	
Reservoir and water lines . .	8,486.81	.....	.....	8,486.81	4.0	5,749.30	
Automobile trucks	833.00	.....	.....	833.00	33-1/3	416.49	
Automatic twin presses-- various	16,167.23	.....	.....	16,167.23	10.0	8,291.81	1,
Fire polishing machines . . .	6,692.44	.....	.....	6,692.44	10.0	3,916.90	
Drinking water systems	867.94	.....	.....	867.94	10.0	607.81	
Electric railway on 13th street	2,390.50	.....	.....	2,390.50	....	768.34	
Electric railway on company property	1,375.41	.....	.....	1,375.41	....	558.29	
New cupping machine	2,547.00	.....	.....	2,547.00	10.0	1,400.85	
Knight glasers #6	12,158.41	.....	.....	12,158.41	10.0	3,647.52	1,
Man cooling fans	364.75	.....	.....	364.75	10.0	109.41	
Glue machines	2,900.00	.....	.....	2,900.00	10.0	495.00	
Electric substation	7,597.45	.....	.....	7,597.45	10.0	189.93	
Totals	62,807.67	764.48	.....	63,572.15		26,215.66	5,
BATCH STORAGE AND CONVEYORS . .	75,260.15	.....	.....	75,260.15	5.0	52,091.93	3,
FURNACES AND LEHRS:							
Factory No. 2	48,233.47	.....	.....	48,233.47	....	36,688.43	
Factory No. 3 tank 3	48,658.59	.....	.....	48,658.59	6.0	23,006.94	2,
Factory No. 3 tank 4	27,150.01	.....	.....	27,150.01	6.0	9,710.42	1,
Factory No. 3 H-E lehrs . . .	44,772.21	.....	.....	44,772.21	10.0	6,559.47	4,
Factory No. 4	5,500.00	.....	.....	5,500.00	....	5,005.00	
Factory No. 6 original tank .	5,500.00	.....	.....	5,500.00	6.0	4,877.04	
Factory No. 6 Allen tank . . .	77,194.29	.....	.....	77,194.29	6.0	12,770.75	4,
Factory No. 6 H-E lehrs . . .	48,887.41	.....	.....	48,887.41	10.0	14,341.65	4,
Totals	305,895.98	.....	.....	305,895.98		112,959.70	17,
Totals	1,903,139.05	3,660.11	2,895.63	1,903,903.53		827,268.81	65,
DEDUCT: PRESSES, FEEDERS AND LEHRS			193,012.93	193,012.93			
TOTAL PLANT AND EQUIPMENT UNDER MORTGAGE -EXCLUSIVE OF							

ductions	Cost November 28, 1931	Yearly Depreciation Rate	Reserve for Depreciation December 27, 1930	Depreciation 12 Periods 1931	Charges to Reserve	Reserve for Depreciation November 28, 1931	Net Sound Value	Cost to Monongah Glass Corporation
2,895.63	$1,459,175.25		$ 636,001.52	$ 39,211.10	$	$ 675,212.62	$ 783,962.63	$249,268.76
.....	1,191.21	10.0%	64.01	77.62	.....	141.63	1,049.58	333.72
.....	8,486.81	4.0	5,749.30	313.36	.....	6,062.66	2,424.15	770.78
.....	833.00	33-1/3	416.49	256.30	.....	672.79	160.21	50.94
.....	16,167.23	10.0	8,291.81	1,492.36	.....	9,784.17	6,383.06	2,029.56
.....	6,692.44	10.0	3,916.90	617.76	.....	4,534.66	2,157.78	686.09
.....	867.94	10.0	607.81	80.11	.....	687.92	180.02	57.24
.....	2,390.50	....	768.34	.....	.....	768.34	1,622.16	515.78
.....	1,375.41	....	558.29	.....	.....	558.29	817.12	259.81
.....	2,547.00	10.0	1,400.85	235.11	.....	1,635.96	911.04	289.67
.....	12,158.41	10.0	3,647.52	1,122.31	.....	4,769.83	7,388.58	2,349.27
.....	364.75	10.0	109.41	33.67	.....	143.08	221.67	70.48
.....	2,900.00	10.0	495.00	267.69	.....	762.69	2,137.31	679.58
.....	7,597.45	10.0	189.93	701.31	.....	891.24	6,706.21	2,132.32
.....	63,572.15		26,215.66	5,197.60	.....	31,413.26	32,158.89	10,225.24
.....	75,260.15	5.0	52,091.93	3,473.53	.....	55,565.46	19,694.69	6,262.12
.....	48,233.47	....	36,688.43	.....	.....	36,688.43	11,545.04	3,670.86
.....	48,658.59	6.0	23,006.94	2,694.93	.....	25,701.87	22,956.72	7,299.32
.....	27,150.01	6.0	9,710.42	1,503.69	.....	11,214.11	15,935.90	5,066.98
.....	44,772.21	10.0	6,559.47	4,132.82	.....	10,692.29	34,079.92	10,836.05
.....	5,500.00	....	5,005.00	.....	.....	5,005.00	495.00	157.39
.....	5,500.00	6.0	4,877.04	304.62	.....	5,181.66	318.34	101.22
.....	77,194.29	6.0	12,770.75	4,275.37	.....	17,046.12	60,148.17	19,124.70
.....	48,887.41	10.0	14,341.65	4,512.68	.....	18,854.33	30,033.08	9,549.32
.....	305,895.98		112,959.70	17,424.11	.....	130,383.81	175,512.17	55,805.84
2,895.63	1,903,903.53		827,268.81	65,306.34	.....	892,575.15	1,011,328.38	321,561.96
3,012.93	193,012.93				85,514.04	85,514.04	107,498.89	34,179.47

Description	Cost December 27, 1930	Additions	Deductions	Cost November 28, 1931	Yearly Depreciation Rate	Depreciation December 27, 1930	Depreci 12 Peri 1931
Brought forward	$1,459,175.25	$2,895.63	$ 2,895.63	$1,459,175.25		$ 636,001.52	$ 39,21
MISCELLANEOUS EQUIPMENT:							
Office equipment	426.73	764.48	.....	1,191.21	10.0%	64.01	
Reservoir and water lines . .	8,486.81	.....	.....	8,486.81	4.0	5,74 .30	3
Automobile trucks	833.00	.....	.....	833.00	33-1/3	416.49	2
Automatic twin presses-- various	16,167.23	.....	.....	16,167.23	10.0	8,291.81	1,4
Fire polishing machines . . .	6,692.44	.....	.....	6,692.44	10.0	3,916.90	6
Drinking water systems	867.94	.....	.....	867.94	10.0	607.81	
Electric railway on 13th street	2,390.50	.....	.....	2,390.50	....	768.34	
Electric railway on company property	1,375.41	.....	.....	1,375.41	....	558.29	
New cupping machine	2,547.00	.....	.....	2,547.00	10.0	1,400.85	2
Knight glasers #6	12,158.41	.....	.....	12,158.41	10.0	3,647.52	1,1
Man cooling fans	364.75	.....	.....	364.75	10.0	109.41	
Glue machines	2,900.00	.....	.....	2,900.00	10.0	495.00	2
Electric substation	7,597.45	.....	.....	7,597.45	10.0	189.93	
Totals	62,807.67	764.48	.....	63,572.15		26,215.66	5,1
BATCH STORAGE AND CONVEYORS . .	75,260.15	.....	.....	75,260.15	5.0	52,091.93	3,4
FURNACES AND LEHRS:							
Factory No. 2	48,233.47	.....	.....	48,233.47	....	36,688.43	
Factory No. 3 tank 3	48,658.59	.....	.....	48,658.59	6.0	23,006.94	2,6
Factory No. 3 tank 4	27,150.01	.....	.....	27,150.01	6.0	9,710.42	1,5
Factory No. 3 H-E lehrs . . .	44,772.21	.....	.....	44,772.21	10.0	6,559.47	4,1
Factory No. 4	5,500.00	.....	.....	5,500.00	....	5,005.00	
Factory No. 6 original tank .	5,500.00	.....	.....	5,500.00	6.0	4,877.04	3
Factory No. 6 Allen tank . . .	77,194.29	.....	.....	77,194.29	6.0	12,770.75	4,2
Factory No. 6 H-E lehrs . . .	48,887.41	.....	.....	48,887.41	10.0	14,341.65	4,5
Totals	305,895.98	.....	.....	305,895.98		112,959.70	17,4
Totals	1,903,139.05	3,660.11	2,895.63	1,903,903.53		827,268.81	65,3
DEDUCT: PRESSES, FEEDERS AND LEHRS			193,012.93	193,012.93			
TOTAL PLANT AND EQUIPMENT UNDER MORTGAGE--EXCLUSIVE OF ATLANTIC COAL COMPANY COMMON STOCK	$1,903,139.05	$3,660.11	$195,908.56	$1,710,890.60		$ 827,268.81	$ 65,3

ions	Cost November 28, 1931	Yearly Depreciation Rate	Depreciation December 27, 1930	Depreciation 12 Periods 1931	Charges to Reserve	Depreciation November 28, 1931	Net Sound Value	Kenogan Glass Corporation
95.63	$1,459,175.25		$ 636,001.52	$ 39,211.10	$	$ 675,212.62	$ 783,962.63	$249,268.76
....	1,191.21	10.0%	64.01	77.62	.....	141.63	1,049.58	333.72
....	8,486.81	4.0	5,749.30	313.36	.....	6,062.66	2,424.15	770.78
....	833.00	33-1/3	416.49	256.30	.....	672.79	160.21	50.94
....	16,167.23	10.0	8,291.81	1,492.36	.....	9,784.17	6,383.06	2,029.56
....	6,692.44	10.0	3,916.90	617.76	.....	4,534.66	2,157.78	686.09
....	867.94	10.0	607.81	80.11	.....	687.92	180.02	57.24
....	2,390.50	....	768.34	.....	.....	768.34	1,622.16	515.78
....	1,375.41	....	558.29	.....	.....	558.29	817.12	259.81
....	2,547.00	10.0	1,400.85	235.11	.....	1,635.96	911.04	289.67
....	12,158.41	10.0	3,647.52	1,122.31	.....	4,769.83	7,388.58	2,349.27
....	364.75	10.0	109.41	33.67	.....	143.08	221.67	70.48
....	2,900.00	10.0	495.00	267.69	.....	762.69	2,137.31	679.58
....	7,597.45	10.0	189.93	701.31	.....	891.24	6,706.21	2,132.32
....	63,572.15		26,215.66	5,197.60	.....	31,413.26	32,158.89	10,225.24
....	75,260.15	5.0	52,091.93	3,473.53	.....	55,565.46	19,694.69	6,262.12
....	48,233.47	....	36,688.43	.....	.....	36,688.43	11,545.04	3,670.86
....	48,658.59	6.0	23,006.94	2,694.93	.....	25,701.87	22,956.72	7,299.32
....	27,150.01	6.0	9,710.42	1,503.69	.....	11,214.11	15,935.90	5,066.98
....	44,772.21	10.0	6,559.47	4,132.82	.....	10,692.29	34,079.92	10,836.05
....	5,500.00	....	5,005.00	.....	.....	5,005.00	495.00	157.39
....	5,500.00	6.0	4,877.04	304.62	.....	5,181.66	318.34	101.22
....	77,194.29	6.0	12,770.75	4,275.37	.....	17,046.12	60,148.17	19,124.70
....	48,887.41	10.0	14,341.65	4,512.68	.....	18,854.33	30,033.08	9,549.32
....	305,895.98		112,959.70	17,424.11	.....	130,383.81	175,512.17	55,805.84
95.63	1,903,903.53		827,268.81	65,306.34	.....	892,575.15	1,011,328.38	321,561.96
12.93	193,012.93				85,514.04	85,514.04	107,498.89	34,179.47
08.56	$1,710,890.60		$ 827,268.81	$ 65,306.34	$85,514.04	$ 807, .11	$ 903,829.49	$287,382.49

61416

GENERAL GLASS CORPORATION

Entries to reflect purchase at November 28, 1931,
from Monongah Glass Corporation

	Detail	Debit	Credit
Imprest fund—Fairmont		$ 200.00	
Imprest fund—New York office		500.00	
Imprest fund—Boston office		200.00	
Imprest fund—Philadelphia office		150.00	
Cash on deposit—National Bank of Fairmont		60,064.07	
Accounts receivable—domestic		46,224.39	
Accounts receivable—export		7,950.18	
Notes receivable		600.00	
Acceptances receivable		85.00	
Materials		41,646.34	
Bottles		33,392.92	
Packers		22,703.82	
Hotel and miscellaneous		18,848.53	
Fairmont Box Company common stock 120 shares		6,000.00	
Industrial Homes Company common stock 5 shares		500.00	
John Herzog & Son		10,564.04	
Cash on deposit—Union National Bank—receiver		3,698.77	
Prepaid insurance—general		5,158.98	
Prepaid insurance—employees liability		526.00	
Prepaid insurance—branch offices		103.89	
Accrued gas bill		739.38	
Accrued state and local taxes		759.58	
Accounts payable—trade			$ 5,077.28
Accrued pay roll			3,248.06
Accrued royalty—current operations			3,088.00
Commissions payable			784.20
Accrued sales tax			271.84
Federal tax withheld at source			240.83
Accrued bond interest			3,987.42
Notes payable—Union National Bank—receiver			6,321.14
Notes payable—Fairmont Box Company	$116,000.00		
Accrued interest	10,981.33		
			126,981.33
Notes payable Hartford-Empire Company	68,000.00		
Accrued interest	6,437.33		
Accrued royalty prior to May 16, 1931	36,177.86		
			110,615.19
		$260,615.29	$260,615.29

61417

14290

[fol. 61418] GOVERNMENT EXHIBIT No. 1781

Copy for Mr. Safford

Letterhead of Lynch Corporation, Anderson, Ind.

October 14, 1933.

Hartford-Empire Company, Hartford, Conn.

Attention: Mr. S. F. Parham

GENTLEMEN:

We enclose copy of letter from a Mr. Langer, a young designer who is working at our Columbus plant. At our suggestion he went to the Washington Mould Company and the Capstan Glass Company to ask for work and incident-ly tried to discover what they were doing as we had rumors that they were working on some forming machines. We are sending this copy of letter for your information.

Yours very truly, Lynch Corporation, (Signed) T. C. Werbe, Pres.

TCW:EP.

[fol. 61419] GOVERNMENT EXHIBIT No. 1781a

Copy

Columbus, Ohio,
October 9, 1933.

Mr. A. G. Doll, Lynch Corporation, Miller Machine & Mold Works Division, Columbus, Ohio.

DEAR SIR:

Relative to my recent trip East for investigating the rumors of various concerns who are believed to be manufacturing glass forming machines, I wish to report as follows:

While visiting the Washington Mold, Machine & Foundry Company I asked to see Mr. T. H. Sloan who was believed to be manager and chief designer. Mr. Sloan, formerly chief engineer of the McBeth-Evans Glass Company, Charleroi, Penna., who was dismissed from that plant, is not and never was associated with the Washington Mold. I in-

terviewed Mr. Kryl, manager of the above plant. Mr. Sloan is a frequent visitor at this plant and would like to be associated with them but financial conditions will not permit adding to their personnel. Mr. Kryl stated that they do considerable machine work such as repairs and building equipment exclusively for the Hazel-Atlas and Tygart Valley Glass Companies of Washington, Penna. Also they are very busy at this time building equipment for the Hazel-Atlas Glass Company located at Clarksburg, West Virginia. It appears to me that it has been a practice of the Hazel-Atlas Plant to order machines as bare as possible and after redesigning, they ship the machines to Washington Mold where it is rebuilt.

While interviewing Mr. Kryl, he received a call from a Mr. Brown of the Capstan Glass about some equipment. He then took me through the plant but I did not see any narrow neck type or wide mouth type machines being built by them but did notice a few tables similar — P B type machine and several molds for the Clarksburg plant.

I then visited the Capstan Glass Company of Connellsville. Here I interviewed Mr. Brown, general superintendent of the plant. Mr. Brown, with whom I had a lengthy interview, does not see what is to prohibit them from using machines of any style under the Flow type of feeder. The Capstan Glass Company with the cooperation of the Glenshaw Glass Company, which is controlled by a Doctor ——, are investigating patents and also working together in a research of new type feeder. The glass companies in general, feel that this last combine of the Lynch Corporation with the Miller Machine along with its association with the Hartford-Empire have made things very unpleasant for the glass industry. Evidently, they do not wish engineers to visit from the above plants.

[fol. 61420] I did go through only part of their plant as Mr. Brown said that they were doing some experimental work in regard to feeders and a special glass forming machine which only a few were permitted to see. I believe they are doing some important work which we should try to keep in touch with if possible.

Mr. Brown remarked that they *d*eed a few JP type machines but are waiting to see what — the outcome of the code hearing of the Glass Containers Association at Atlantic City.

I tried to see Mr. McMarma who is master mechanic at this plant but it was impossible to see him.

You may also be interested to know that the financial conditions of the Washington Mold is very serious, according to the statement made by their chief engineer, on account of quoting extraordinary low prices on equipment. He stated also that Mr. Kryl who is a large stock holder is going to sell out to Mr. Wheatley, purchasing agent of the Hazel Atlas plants.

I have stated the most important facts concerning my investigation.

Respectfully, (Signed) G. B. Langer.

[fol. 61421] GOVERNMENT EXHIBIT No. 1782

Robinson, Robinson & Cole
Hartford, Conn.

December 17, 1935.

F. Goodwin Smith, Esq., President, Hartford-Empire Company, Hartford, Connecticut.

Dear Sir:

You have asked me to write you briefly on the subject of the cross-licensing agreement between your Company and the Lynch Corporation dated August 22, 1933, and the possibility of its being regarded as in conflict with the anti-trust laws. I have given pretty careful consideration to the subject although I have not had the opportunity to fully explore and finally pass upon all the elements which might conceivably have some bearing upon the final conclusion.

Under the agreement, licensees of forming machines of certain specified types must be licensed by both contracting parties although your feeder licensees are automatically entitled to a license without additional production royalty. Since the execution of the agreement there has been no case where the Lynch corporation has sold one of the specified types of forming machines to any one who was not one of your feeder licensees. Any one who was not one of your feeder licensees who desired to buy a Lynch former would have to secure a license from you and there is no proof from experience as to what would be done if such a situation

arose. The inquiry is thus suggested as to whether the agreement is in restraint of trade or involves a discrimination or a tying clause such as the law forbids.

The answer to this question depends not only on the terms of the agreement but on the practical effect of it in the light of all the surrounding circumstances. In a brief discussion such as this, there is little use in my referring in detail to the authorities. Nor can the statement of general principles readily supply the key to the problem. The "necessary effect of patent interchange agreements and [fol. 61422] the operations under them" must be carefullly considered in such cases. The rights secured by a patent do not protect the making of contracts in restraint of trade. A patentee cannot require as the condition of a license that unpatented machinery or I suppose machinery covered by other patents must be used in connection with the invention and shall be purchased only from the licensor. On the other hand, cross-licensing agreements are frequently legitimate and tend in certain cases to promote rather than restrain competition.

At the time the Lynch contract was entered into each party claimed that the other was likely to infringe its patented inventions relating to forming machines and the contract recited that it was entered into to avoid patent litigation. But whether or not the contract is legally unobjectionable or even beneficial to the industry, the fact is that there are bound to be in the industry certain persons who will object to it and who are likely to claim that it or its combination with other existing conditions in the glass industry is in conflict with the anti-trust laws. This is likely and indeed almost certain to result in inquiries with reference to its legality and possibly an attack on your Company by reason of its existence. On the whole, it seems to me that there is enough doubt in the matter to make it desirable to do away with the contract provided the resulting situation is not too serious from a business viewpoint.

Very truly yours, Francis W. Cole.

(Here follow 4 photolithographs, side folios 61423-61426)

GOVERNMENT EXHIBIT No. 1783

MR. [illegible]ARHAM
Hartford

HARTFORD-EMPIRE COMPANY
HARTFORD, CONN.

RECEIVED OCT 19 1938

1171-5

October 18, 1938

Mr. Amory Houghton, President
Corning Glass Works
Corning, New York

Dear Amory:

In accordance with your suggestion, I will here try to set down reasons why the Corning Glass Works should be willing to release its exclusive rights in our forming machine inventions to the extent necessary to permit Hartford to grant to Lynch the right to make, use and sell Lynch "press" and "press and blow" machines to glass manufacturers without requiring that such manufacturers

GOVERNMENT EXHIBIT No. 1783 MR. [illegible] PARHAM Hartford

HARTFORD-EMPIRE COMPANY
HARTFORD, CONN.

PATENT DEPT. OCT 19 1936

1171-5

October 19, 1936

Mr. Amory Houghton, President
Corning Glass Works
Corning, New York

Dear Amory:

In accordance with your suggestion, I will here try to set down reasons why the Corning Glass Works should be willing to release its exclusive rights in our forming machine inventions to the extent necessary to permit Hartford to grant to Lynch the right to make, use and sell Lynch "presses" and "press and blow" machines to glass manufacturers without requiring that such manufacturers first obtain from Hartford a license to use such machines. As I put it when talking with you, my reasons might more properly be considered reasons why Corning should not refuse the request rather than positive reasons why it should divest itself of its present rights.

1. While there are still some seven patents of Hartford which may be cited to read upon the Lynch forming machines of the "press" or "press and blow" variety, I believe that there are but two, namely Lorenz 1,770,310 and Lorenz 1,900,191, which are of sufficient importance to require serious consideration. Certainly, if Corning feels justified in granting our request for the release after considering these patents, it would not be of different opinion by considering the additional patents.

The two patents mentioned, insofar as their claims are applicable to the Lynch forming machines under consideration, do not basically cover all "presses" and "press and blow" machines which might be constructed competitors with those now made by Lynch. They relate primarily to the specific combination with a mechanically driven feeder and forming machine provided with a clutch which may be operated to throw out the forming machine while the feeder still operates and which, when thrown in, again returns the machines to their proper synchronization.

Some of the claims relate to the provision in a mechanically driven machine of safeties which operate to throw out the clutch and stop the machine in the event of a failure of some glass forming

61423

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operation. It will be seen that obviously neither of these inventions apply to air driven machines or machines operated together with pneumatically driven feeders, nor even to a mechanically driven machine which is not provided with the safety features.

Thus the inventions as to which we are asking the release may be said to be more or less specific to a particular type of "press" or "press and blow" machine rather than being basic to all machines of that type. The patents in question expire respectively on December 17, 1946, and April 7, 1948, their term being thus respectively one and three years longer than the term of our established feeder patent 1,655,201; they expire some six years before the expiration of our later basic feeder patents.

Corning has the same exclusive rights under our feeder patents as under our forming machine patents, so that a release of the specific forming machine invention appears to me to be of no practical moment so long as the feeder situation may be held. As I see things at present, the feeder situation should certainly be held substantially to the expiration date of the forming machine patents.

2. During my talk with you and Mr. Curtiss, it appeared that the two outstanding items which were of particular concern in the present connection were your manufacture of the new headlight bulb and your cooking ware.

As to the first of these items, is it not true that Corning, O-E, or both, have or shortly will have a controlling patent situation on the article itself, which should extend far beyond the life of the forming machine patents under discussion? If so, the very slight protection of the forming machine patents is of no practical moment as to such ware.

With respect to the cooking ware, you undoubtedly have some new composition patents, furnace patents, and above all, a "know how" which is so important in your operation as to render the specific right in the formers a mere drop in the bucket.

3. I believe it to be undoubtedly true that if suits become necessary to protect your exclusive field, they would undoubtedly be predicated in the first instance, upon either your patents or our feeder patents rather than upon the specific former patents, and that if at long length we were reduced to enforce that field through the former patents, we would have by that time arrived at the end of the life of these former patents. Even if this were not so, and a successful suit were brought under the Lorenz patents mentioned, the competitor would merely change his machine in the items which I have mentioned above, which change I do not believe would penalize his operations sufficiently to remove him as an active and effective competitor.

142941

To: Mr. Amory Houghton October 13, 1930

4. As I stated to you, it is conceivable that Lynch might be willing to make the deal with Hartford even if Corning refused its consent to our present request; in this event, our license to Lynch would necessarily exclude the right to use the inventions in your exclusive field. A sale by Lynch under such an agreement could not pass to his purchaser the right to operate the machines sold in these exclusive fields. If however, the purchaser disregarded this limitation, it would be more or less put up to Corning and Hartford to bring suit. This might possibly occur even if our agreement with Lynch would require him to get written assurance that the machines would not be used in the excluded field. As you pointed out in our talk, such a requirement might have the effect of pointing other concerns to your profitable fields, which they might invade by the use of machines not covered by the Lorenz patents. I also think that if a purchaser from Lynch should invade the excluded field to such an extent that it would come forcibly to your knowledge, you and ourselves would practically have to bring suit on the Lorenz patents. I believe that such a suit, properly prosecuted, would in the end cost more than the result would justify. Is it not better, in the long run, to remove the exclusion from the Lynch deal to avoid the possibility of being forced into such a suit?

5. Finally, I point to the possible future advantages which may arise out of the successful development of the thin-wall, tempered bottle, which may demand a machine of the type of our I.S. machine. Of course, from Hartford's point of view, it is extremely desirable with such a development in mind, that the I.S. machine be free of any claim of royalty from Lynch under the 40-60 clause, and it is at least conceivable that some advantages may flow to Corning from the freedom which we will obtain in this respect.

I wish to emphasize again that the proposed deal does not contemplate any change whatsoever in the Lynch contract insofar as it relates to narrow neck machines, or machines falling under the basic Headley and Thompson patents, and is proposed by us purely because we see a commercial advantage to Hartford in eliminating the 40-60 clause; this we have tried to do on several previous occasions but without success.

I have made an appointment with Mr. Morsey in Washington tomorrow morning, having left word for him at his office to look at the Lorenz patents this afternoon when he arrives in Washington. Although the time is very short, I hope he may be able to give you his point of view in time for your Thursday meeting.

Very truly yours,

S.F.Parham
vlm.

P.S. Sorry this is so long and rambling - you appreciate that it is rather difficult for me to suggest what Corning does or does not need in its business. S.F.P.

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GOVERNMENT EXHIBIT No. 1784

June 1, 1929

~~Have heard~~

~~Purchase of Fuches by Schwartz~~

Had a conversation with Natale on the subject this morning. He felt that it was a good thing if the fuches had been bought actually to keep it off the market

Also that the mere purchase of a device which may infringe does not constitute infringement Technically experimental use is infringement, and there is the further difficulty of proof of damage so that a recovery is almost impossible Non-use would be evidence of contemplated infringement but of itself would be no infringement.

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[fol. 61427] GOVERNMENT EXHIBIT No. 1785

June 5th, 1934.

Chronology of Relations Between Hartford-Empire Company and Three Rivers Glass Company

August 1929

Three Rivers was operating four Three Rivers Feeders which infringed our patents. They came to us and wanted a license under our patents, and agreed to pay damages for their past infringing use of $7500.

We finally licensed them to use three of these feeders for a broad field of beverage, packers,. prescription and miscellaneous ware.

They wished a license for milk bottles on their fourth feeder but we could not give them this because of our prior commitments on milk bottles.

They continued to use the milk bottle feeder, but we did not bring suit because of the expense and because of our lack of desire to jeopardize for one machine our then existing patent suits.

At that time they took under license two lehrs, and subsequently a stacker and conveyor.

April 1930

Three Rivers substituted one Hartford Single Feeder for one of their Three Rivers Feeders and in August of the same year substituted two more.

September 1931

During the balance of 1930, and the early part of 1931, they were consistently behind on their royalties. As of this [fol. 61428] date the amount was $6,142.17 in arrears and we had Charles R. Tips, the active person in the management, come to Hartford and threatened cancellation unless he paid up. At that time his plant was shut down and he agreed not to operate until he had paid up.

July 25, 1932

Three Rivers had again fallen behind, and as of this day had an unpaid royalty account of $3,705.85 overdue. At

that time we sent formal notice of revocation to take effect September 1, 1932.

For three years Three Rivers had been known in the glass industry as a very serious price cutter, and in the opinion of those who knew the glass business well their location was always considered one from which no money could be made.

September 12, 1932

S. S. Searcy, as our attorney, advised them of their unpaid balance of $6600.41 and asked for a satisfactory adjustment before suit was filed. We gave him until October 1st, and also tried to make a deal between George Collins of Liberty Glass Company of Sapulpa, Oklahoma and Three Rivers Glass Company.

October 19, 1932

Suit for specific performance of contract filed against Three Rivers asking for return of machinery and an accounting for unpaid royalties.

Later, on November 4th, Three Rivers filed a general denial and also alleged the contracts were void as being a violation of the Anti-Trust Laws of the United States and [fol. 61429] of the State of Texas.

November 1932—This runs until November 1935.

Henderson Coquat, former oil man and Mayor of the Town of Three Rivers, appointed Receiver of Three Rivers Glass Company by the local Texas Court.

January 2, 1933

Coquat, as Mayor of the Town, felt that the people in the Town would be seriously handicapped through that Winter if the Three Rivers plant did not run. Because of the nature of his plea we agreed that we would consent to the operation of the plant until May 1933.

In consideration of this, Coquat agreed to pay us $1800 on his unpaid balance, and also give us a consent decree in May. This agreement had the approval of the local Texas Court, under which Coquat was operating his Receivership.

April 19, 1933

Coquat was in Hartford. At that time his plans were very indefinite as to the ultimate disposition of his plant, but he promised to make arrangements, if possible, to sell out his business to persons better able to carry it on.

After Coquat left us he went to Washington and saw Mr. Garner on various matters. In the course of his conversation the question of the Three Rivers Glass Company and our refusal to give a license came up. Mr. Garner suggested that he see Mr. Connelly, the senior Senator from Texas, regarding this, and Coquat did so. Connelly took him over to the Department of Justice where he saw the [fol. 61430] Chief of the Anti-Trust Division.

May 27, 1933

Decree entered in Hartford-Empire Company v. Three Rivers Glass Company, and we agreed to stay the judgment for thirty days. The fact that this was a consent decree is indication of weakness of Anti-Trust defense referred to above.

June 12, 1933

Coquat in Hartford, and we discussed with him his entire situation. Finally we agreed to license Coquat for the period of the Receivership, and Coquat agreed to pay us the sum of $3004.35, which was the amount of royalties which he owed to us for his operation as the Receiver. This agreement was entered into as of the 27th of June, 1933.

In the meantime Coquat sold out his milk bottle business, we believe, to George Collins of Liberty Glass Company for the sum of $3,000.

August 2, 1933

Our Service Engineer, Mr. Hunter, returned with a verbal request that we would license them additional machinery. Mr. Smith wrote that his suggestion was that Coquat first definitely ascertain whether he could conduct his present business on such a profitable basis that some reorganization of Three Rivers Glass Company might be justified as showing what Coquat as Receiver was actually able to produce.

14298

August 25, 1933

We licensed Coquat to use for his general line the Three [fol. 61431] Rivers Feeder which he formerly had used for milks and which was no longer necessary, as the milk business had been sold out.

December 12, 1933

We were asked to file our claim for any moneys due us as creditors prior to the Receivership. This amounted to $5,115.20, plus interest.

1934

During 1934 we have repeatedly asked Coquat as to his future plans, and have received no satisfactory answer.

At the present time royalties are now five months in arrears, amounting to $6,452.65.

[fol. 61432] GOVERNMENT EXHIBIT No. 1786

August 26, 1932.

S. S. Searcy, Attorney-at-law, San Antonio, Texas.

Dear Mr. Searcy:

I received your courteous letter of August 23rd, and should like to employ you on behalf of Hartford-Empire Company in its contemplated suit against Three Rivers Glass Company.

In this afternoon's mail there came another letter from Three Rivers Glass Company, as a result of which it may be necessary for us to change our opinion but for the present we are still contemplating bringing suit.

There are a great many factors which I believe would be of considerable assistance to you in understanding the picture and in bringing the suit. For this reason I should like to meet you in St. Louis sometime between September 5th and September 10th.

If you could meet me there I could give you the contracts and the papers involved, and also explain to you the whole situation. We could also meet one another and assure ourselves to our own satisfaction as to the calibre of the persons with whom we are respectively dealing.

Therefore, would you be good enough to either wire or write me if you can possibly meet me in St. Louis between the stipulated dates, and tell me what day is best for you. I have selected St. Louis as being the half-way point be-
[fol. 61433] tween San Antonio and Hartford, but if any other business should carry you North to some other point I could perhaps meet you there.

I enclose herewith opinions of the Circuit Court of Appeals in the cases of Hartford-Empire Company v. Hazel-Atlas Glass Company and Hartford-Empire Company v. the Nivison-Weiskopf Company, and also would like to refer you to Hartford-Empire Company v. Obear-Nester Company, 39 F. (2d) 769 and Homer Brooke Glass Company v. Hartford-Fairmont Company, 255 Fed. 901, affirmed 262 Fed. 427. These, I believe, will give you an adequate background of the glass art and the kind of machines which we call Feeders.

Hartford-Empire Company is engaged in the development and manufacturing of machines for making glass articles, and our two principal sources of income are from what we call Feeders and Lehrs.

These machines we lease and license under a standard form in which we retain title and in which the licensee agrees to return the machinery in the event we revoke its license. The licensee pays royalties on each article of glass manufactured with the Feeder, but in the case of the Lehr there is a flat monthly amount payable for the use of the lehr. We have a provision in the contract that if the licensee fails to pay its royalties we are entitled to revoke its license.

In August 1929 Three Rivers Glass Company was operating four machines which infringed our patents. They came to us and wanted a license under our patents and agreed to pay damages for their past infringing use. They also wanted a license to make milk bottles, but by reason of our prior commitments we were not in a position to give them a license for milk bottles.

We finally licensed them to use three Feeders, but the fourth Feeder we did not license, and since then they have continued to make milk bottles on a machine which we believe to infringe our patents. We have not brought suit against them for this infringement mainly on account of the expense involved in bringing such a suit for just one machine, and also because we have been fully engaged in

trying suits and arguing appeals in cases in the Third, Sixth and Eighth Circuits—opinions to which I have referred you above.

[fol. 61434] In 1930 Three Rivers Glass Company substituted our Hartford Single Feeders for their other Feeders. Since then they have been consistently behind in their payment of royalties. Last Fall we told them that we were going to revoke, and at that time they promised most faithfully to keep up their payment of royalties and we permitted them to continue. They are far behind now and we have sent them notice that their license is revoked, the revocation to take effect September 1st.

We control 90% of the glass feeding machines used in this country, although there are certain other methods of making glassware. In return for the various manufacturers paying us royalties we render to them general engineering service and are in much closer contact with them than if we were merely a selling house. We get all their problems and hear all their troubles, and whenever possible try to assist them.

Three Rivers Glass Company has been a perpetual thorn in the side of all the manufacturing companies. It won't assist the other manufacturers in any manner in maintaining general price levels. It isn't because they are more efficient than any one else (which is a justifiable reason of course for lowering the price), but because they are just simply selling at an actual loss in order to stay in business.

We should like, for reasons of the general commercial situation and also because we feel there is no hope of Three Rivers ever paying us, as they should, to take the machinery out of their factory. This may, of course, seem to you to be a hard-boiled attitude, and of course it seems that way to the Three Rivers Glass Company. We would prefer not to take such a drastic step, but the fact that they are using an infringing feeder, that they are always behind in their royalties and in their paying for spare parts, and the fact that they are a perpetual nuisance to the other manufacturers makes it imperative for us to proceed against them.

I am having prepared copies of the contracts and all of the correspondence which might possibly relate to this matter, and this material I could bring with me when I *saw* you.

[fol. 61435] We have also pending in the District Court for the Eastern District of Pennsylvania a similar suit

which is to be tried in October, and I enclose herewith a copy of the complaint in that case.

Your suggestion that the suit be brought in Federal Court I believe is very wise, and a suit for specific performance of the contract to return the Feeders is the kind of action which seemed most advisable in Pennsylvania.

I enclose herewith a copy of our standard Hartford Single Feeder contract which is practically the same as the one which Three Rivers entered into with for its Three Hartford Single Feeders, and I also enclose herewith a Hartford Lehr Contract. These will give you the opportunity of seeing on what basis we make our legal claim for the return of the Feeders.

You, of course, know your courts and their slant toward any particular question, so that if during the course of our dealings with you you feel it is wiser to do one thing or the other I should not want you to refrain from giving your opinion.

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A. T. Safford, Jr.
RLB.

Enc.

Mr. Safford left before he was able to sign this letter.
R. L. B.

[fol. 61436] GOVERNMENT EXHIBIT No. 1787

Memorandum to: Mr. F. Goodwin Smith.
From: A. T. Safford, Jr.

Sept. 16, 1932.

Subject: St. Louis Trip on Three Rivers

I met Mr. S. S. Searcy, an Attorney-at-Law, of San Antonio at the Statler Hotel on Friday, September 9th. He seemed a man in the late 50's, and from what I gathered of his practice had had wide experience in handling matters for the largest Bank in San Antonio, and one which has successfully stood up under the ravages of the depression. He told me he had been over the papers which I had sent to him and appreciated the situation. I gave him some additional papers which I had brought with me and left him

reading them while I went to see Mr. George Collins of Liberty.

Mr. Collins was in a hurry to get away so I did not spend quite as much time with him as I would have liked to, as I believe he is one of the people from whom you gradually absorb information, rather than one who would present the whole picture in the course of a discussion.

He has dealings with the Exchange Bank in Tulsa, which is the Bank backed by H. H. Rogers, who, up until now, has been Tips' financial backer. According to one of the Vice-Presidents at the Exchange National Bank the Bank had no desire to extend further credit to Tips, and were interested only in preserving what they had loaned to him.

I went over with Collins the general situation in regard to milks. He made no particular comment on what we were doing. He did have considerable to say about the fact that Thatcher had produced a new milk bottle, and consequently were selling their standard bottles in his territory as seconds. Consequently, he had felt it necessary to send a man up to Chicago, which, to me, seems to be pretty far afield.

He also had a serious complaint against Owens in that they were cutting the price considerably below what their tranportation charges would allow them to do, and that [fol. 61437] they had come pretty far West into his territory.

In regard to the Three Rivers situation he wasn't particularly definite. He said that Mr. Rogers had been trying to get hold of him, but that so far they had not come together. He is particularly anxious to get Three Rivers out of the milk bottle business, and yet is not particularly anxious to see Tips "busted".

He felt that if some reasonable arrangement could be made with Rogers he would be willing to take over Tips in some fashion or other. The idea which he had in mind particularly was that he should help Three Rivers by giving to them his soda business, and perhaps the services of some of his salesmen for this soda business. This would enable Tips to eke out a living and at the same time would keep Three Rivers out of the milk bottle business.

He said he would like to operate his plant at Potau as he felt that it had a better geographical location than Three Rivers plant for the particular territory which he wished

to serve, but he said that if some general program could be worked out he would be willing to do his part.

I left it with him that we would keep him advised as to what Searcy was doing and that he should get in touch with Rogers just as soon as he feels that Rogers is in a bargaining position. I told him that if Rogers had anything definite in mind he should find out as much as possible and should then come on to Hartford.

After having seen Collins I went back and talked with Searcy further. He said he knew Tips and knew Rogers and had seen the Three Rivers plant, which he said adjoined some properties which his Bank held as trustee and which he looked after.

It was his opinion that if we should bring any sort of an action there would have to be a receivership at once. He said that Tips owed everybody in the district money and that he had been paying his workmen with checks which said they would be payable when and if the glassware securing the notes was sold.

[fols. 61438-61441] He said that Three Rivers' high-powered directorate was completely "busted"—Rogers along with all the others.

I asked him about the question of our registering as a foreign corporation and he advised it.

I told him a little bit about our general licensing system and told him that it would be possible that the defense of the Anti-Trust laws might be raised against us. He said that such a defense was particularly apropos in Texas where the Anti-Trust laws are very stringent, but he did not believe that the Anti-Trust laws as a defense should worry us at all. He said to enforce this as a defense would require a considerable amount of money and several appeals, and he did not believe that Tips was sufficiently interested to go to this expense.

It was his opinion that an action for specific performance of the contract in the Federal Court was the proper remedy. This is exactly what we are doing in the Glenshaw case.

I talked with him the matter of his fee and he said it would be $500, plus expenses, unless there was actually litigation, and in such event it might be more. Considering his position as an attorney I believe that this sum is satisfactory.

He is to send a formal notice to Tips asking him to pay the royalties and to turn over the machinery. He expects that this will bring Tips around at once and also Rogers, and that they may have something definite in mind. I told him he was to get the whole story and advise us, and also that he could tell them that George Collins would like to see them on the Three Rivers matter. I told him he was to help Collins in case the latter should need any assistance.

ATS:RLB.

* * * * * * *

[fol. 61442] GOVERNMENT EXHIBIT No. 1790

December 17, 1932.

S. S. Searcy, Attorney-at-Law, San Antonio, Texas.

DEAR MR. SEARCY:

This will acknowledge receipt of your courteous letter of December 8th, together with your Brief on the question of the Anti-Trust Laws.

I have read the latter over only hastily, and can not be of very much assistance to you at the present time.

One thought, however, did occur to me. Your Brief practically goes upon the assumption that as the transcriptions involved are interstate commerce the Anti-Trust Laws of the State of Texas do not apply.

Do you think that the fact we have qualified to do business within the State of Texas will in any way affect your conclusion? The fact that we did so qualify I think can be easily explained. We did it fearing that we might be estopped from bringing suit upon the claim that we did do business within the State. It is not an absolute admission, however, that we do business within the State of Texas.

The contracts, on their face, probably involve mere interstate commerce, and as such, perhaps would fall under *York Manufacturing Company v. Colley*, 247 U. S. 21.

There is this additional fact against which I should probably guard you. We, of course, maintain no office at all in [fol. 61443] Texas. Our machines are made in Connecticut and shipped to Texas. We send erectors to install them and get them in operating condition. We do, however, send men around to service them at fairly regular intervals. On this

point I think you will find *New Britain Machine Company v. Cone,* 275 U. S. 552, probably the leading case. As I recollect that, however, the service man in that case actually lived in Ohio.

I make these remarks simply as suggestions, so that I can bring up a few different angles for you to consider. I admit that the cases regarding interstate, as against intrastate, business are in great confusion, and it is almost impossible to give a ready answer.

Would you be good enough to write me as to when you expect the case to come on for hearing?

Our Board feel it desirable to have someone present to consult with you who has been involved in some of our other law suits. I myself could probably be present, and I think that would be the President's particular desire. Colonel R. D. Brown, our head Patent Counsel, who has conducted all the litigation in which we have participated over the last five years, could probably also be present or go in my place if it were necessary.

The only difficulty which I see about this is that Colonel Brown is a Director of the Company, and knows generally pretty much about the contractual relations of this Company.

As I look at the Defendants' answer in this case his argument as to the invalidity of these contracts will probably have to be confined pretty largely to what appears on the face of the contract. Tips, or some of the other men, probably could testify that we had certain relations with Owens-Illinois Glass Company, and Tips might be able to testify that before he was licensed we had to secure the permission of Owens-Illinois Glass Company. If he did so testify, this would be a true statement of fact, as under a contract which has since been cancelled we were not permitted to grant licenses to new manufacturers under the Owens-Illinois patents without its permission. Realizing, however, the danger, from an Anti-Trust point of view, of this provision we had it cut out in 1931.

[fol. 61444] On the other hand, if either Colonel Brown or myself were present at the trial, or in Texas, there is the chance that we might be subpoenaed as witnesses for the other side. In such event it would be very difficult, I believe, to prevent them from questioning either one of us about the other contractual relations of our Company. These we are not particularly anxious to have made public, although

we believe legally they can be completely justified. Do you consider the presence of myself or Colonel Brown of sufficient danger so that it would be better if we stayed away completely?

If you considered it dangerous for us to be there we would like to have your permission to send, merely in an advisory capacity, another of the attorneys who have been in some of our litigation. I believe this would be of considerable value to you and yet would in no way interfere with your conduct of the suit in exactly the fashion in which you wish.

Would you also be good enough to tell me whether you believe other witnesses will be necessary? The contracts themselves you could produce by means of Tips or Ellerman of Three Rivers Glass Company, depending on who signed them. As to whether you need any further evidence it is entirely for you to decide. My reaction is that it might be well to have someone on hand who could offer evidence which would rebut anything which Three Rivers might have to offer in regard to our general contractual situation.

I have absolutely no new information as to the possibility of settlement. I have been in enough law suits to know that a settlement is always practical from the point of view of both sides. I know that several glass companies would have been willing to bid in at a receiver's sale for the plant, but the postponing of the sale has, of course, taken away this possibility.

We would be pleased to know what the present management of Three Rivers has in mind as to future operation. It might be that the new management would be better than Tips, and, if so, it might be possible to do business with them.

I make these suggestions as merely matters to consider. We believe that there is not much hope of Three Rivers ever [fol. 61445] being a good licensee, but if the dangers of suit are too great then we better reopen the question of a possible settlement prior to the time of the suit.

With kindest personal regards, I am

Very truly yours, Hartford-Empire Company, ——,
Secretary.

A. T. Safford, Jr.
RLB

[fol. 61446] GOVERNMENT EXHIBIT No. 1791

April 5, 1933.

S. S. Searcy, Attorney-at-Law San Antonio, Texas.

DEAR MR. SEARCY:

We received today from the Three Rivers Glass Company a letter, copy of which I enclose herewith. This I have merely acknowledged, stating that they are to get in touch with you on this entire situation.

This letter of theirs seems to be a back-handed request for a license for the future, and it raises a considerable number of points in my mind, which, although you are well aware of them, I thought nevertheless I might repeat to you.

In August 1929 Three Rivers Glass Company, who were then using four feeders which infringed our patents, came to us and requested a license to make bottles, fairly broad in its scope. They were interested particularly in milk bottles, but by reason of prior commitments we were unable to give them any license for milks.

Consequently, we licensed three of our feeders, knowing that their fourth feeder was to be used entirely upon milk bottles. This was a situation which we didn't like, and as we look back upon it now it is one which we never should have countenanced in the first instance.

However, we repeatedly told Tips, and I am sure it was thoroughly understood by him, that the day of reckoning [fol. 61447] would have to come in his use of the infringing feeder for milk bottles. We gave him ample warning of this, and I am sure that he and other members of his organization were fully congnizant of the entire milk bottle situation.

In their trade practices Three Rivers has acted in such a fashion as to get itself thoroughly hated by the other manufacturers. They give very low prices and ones which we believe are not warranted by any good merchandising policy. Their prices, which are much lower than their competitors, are not, we believe, due to any advantages of location or production and selling facilities. They operate strictly as what we can term "price cutters."

Their attitude is particularly hard on Mr. George Collins of Liberty, who has been one of our faithful licensees and one who operates very efficiently. They have so under-sold him that he has been compelled to ship into St. Louis and Chicago, much to the dismay of the big milk bottle producers.

We will admit that Three Rivers has paid us considerable sums of money in the past. However, we do not believe that their financial set-up is such, or they have it within their power to continue as a real prosperous concern or one which can give any fair return on the investment. We believe that a great deal of money has been poured down the sink on behalf of Three Rivers, and that much more will follow.

Our Service Engineer, Mr. Hunter, was at the Three Rivers plant a short time ago and talked with Ellerman and talked with Coquat. He found that Coquat was utterly unaware, or else did not recognize, that Hartford had ever made any claim for infringement by reason of Three Rivers use of their own feeder for milks. I believe Coquat probably did not know about this matter and Ellerman may have purposely concealed it from him.

We do not wish to license Three Rivers so that they can continue beyond the period specified in the agreement which you procured for us.

We are always willing to listen, and suggest, if they feel [fols. 61448-61457] they have any just cause for further operation, that the various parties interested should come to Hartford to talk the matter over, and be prepared to give us the very fullest information regarding what they propose to do with their milk feeder, their financial set-up and their policies. My people here are not in a mood to listen to them, but at least I have recommended that we give the matter serious discussion.

I wish you would get in touch with Mr. George Collins and explain this general situation to him and see whether he has any interest in making arrangements with Three Rivers one way or the other. It is his interest particularly that we are trying to look out for.

I wish you would talk to the Three Rivers people and make it perfectly clear to them that we do not wish to license them for the various reasons which I have stated. On the other hand, if they think they have a good case let Coquat, somebody from the Bank, or the other people come to Hartford. Ellerman we don't trust at all, and believe that we have good reason for not doing so.

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A. T. Safford, Jr.
RLB
Enc.

[fol. 61458] GOVERNMENT EXHIBIT No. 1798

June 13th, 1933.

Memorandum

On June 12th Henderson Coquat, Receiver of Three Rivers Glass Company, came to Hartford. Various points came up and we provisionally agreed that we would license the Receiver of Three Rivers Glass Company, subject to the conditions below—

1. George Collins of Liberty Glass Company has proposed to buy machinery, molds and goodwill of the Three Rivers Glass Company for the sum of $50,000. His proposal called for the payment of $15,000 within the first year, but Coquat believes that it is necessary to secure $25,000 in order to get the approval of the Court and that of his stockholders. He suggested that we take George Collins' note in payment of some of his, Coquat's, existing indebtedness to us but we said that we could not *to* so; that this deal was a matter between himself and Collins, in which we could have no part.

I told Mr. Coquat of the stackers and conveyors for which we didn't bring suit, but title to which lay in Hartford-Empire Company. He said that Mr. O'Brien evidently knew this as the matter had come up in his discussion. I told him that the term for these stackers and conveyors would be the same as that for the lehrs and the feeders. He did not look pleased but didn't negative this proposition.

Mr. Coquat left with us his Receiver's statement which was very poor. It must be noted, however, that this concerns only transactions which have taken place since he became Receiver.

2. We told Coquat that we had undestood from reliable sources that he had been making fruit jars for domestic (household) use. He said he had not and to the best of his knowledge none of the persons to whom he had been selling as packers had been putting the jars in the domestic trade. He agreed that we could write to him a letter which would state our ideas as to what constituted a fruit jar, defined in terms of use, and would also include our standard definition. [fol. 61459] Mr. Eldred explained that proper performance really required explicit instructions to salesmen, and a continued watch upon them, and Coquat said he would send

written instructions to each one of his salesmen telling them that fruit jars for domestic use are not to be sold directly or indirectly.

3. The whole license is subject to Searcy's ability to get orders from the United States District Court and the approval of the Texas District Court of the entire transaction—the intent being to make it possible that Hartford be able to serve execution upon violation of the various covenants by Coquat. The term of the license is to be during the Receivership of Three Rivers Glass Company; the period not to exceed three years; the Field of Ware will be the same and royalties, of course, will be the same.

4. Coincident with the execution of the various agreements, Coquat will pay to us what he owes to us for royalties and other expenses accrued by him as Receiver, amounting, I believe, to $3004.35. The $6915.20 indebtedness owed by Three Rivers Glass Company at the time of the commencement of the Receivership passes out as a loss to Hartford-Empire Company. Coquat recognized the principle, however, that if he paid other creditors, in addition to the workmen, for their indebtedness prior to the Receivership, Hartford should be entitled to its share.

5. We agreed that we were willing to forego his putting up a deposit of $2,000 to guarantee payment of royalties.

6. He will send cash prior to delivery for such repair parts for his feeders and lehrs as he needs.

7. He brought up the point that with his milk business sold out he has a spare feeder on his hands. He asked that he might be allowed to take this over under license, paying standard royalties—we taking title in lieu of damages for infringement. Mr. Smith said that this would have to be taken up with our licensing committee and the subject could be decided when he received the Lynch Machine which is on order for delivery around the middle of July.

[fol. 61460] 8. He spoke to us about his Bastrop plant which he says does not come under the mortgage on the Three Rivers Glass Company. He spoke of his stockholders desire to reopen this plant, but he said that he would not listen to it. We confirmed him in this, saying that we didn't see if they couldn't run one plant how they could possibly hope to run two plants.

9. The understanding is that we will prepare, as soon as possible, the various papers which we have in mind and send them to Searcy who will advise Judge Childers of their arrival.

A. T. S., Jr.

ATS:RLB

[fol. 61461] GOVERNMENT EXHIBIT No. 1799

June 15th, 1933.

S. S. Searcy, Attorney-at-Law, San Antonio, Texas.

DEAR MR. SEARCY:

On June 12th Mr. Coquat came to Hartford and brought his Receiver's statement, and we again went into the whole matter of a possible license to him.

Mr. George Collins of Liberty Glass Company, as you know, has proposed to purchase from Mr. Coquat the entire milk bottle business of Three Rivers Glass Company for the sum of $50,000. Mr. Collins was desirous of paying only $15,000 during the first year and Mr. Coquat was anxious, if possible, to secure from him the sum of $25,000 in order to justify his action to the Court and to the stockholders and creditors.

Mr. Coquat was to see Mr. Collins Tuesday, the 13th, and by this time they should have reached some conclusion.

We finally concluded that we would be willing to license Three Rivers Glass Company for the period of the Receivership—in no event to exceed three years. The terms are otherwise those of our standard license and lease, with which you are acquainted. If the situation should be new, we, of course, wouldn't have licensed Mr. Coquat, but we considered, in view of all the circumstances, it probably would be more advisable to license than not to license.

Our concluding a license with Mr. Coquat, however, was made subject to certain conditions.

[fol. 61462] 1. The agreement between Mr. Collins and Mr. Coquat must be concluded and we should certainly like to have the papers signed in order that there will not be any subsequent hitch.

2. We must have payment by Mr. Coquat prior to final execution of the agreements of the sum of $3004.35, which

is the sum now owed to us as a result of Mr. Coquat's agreement last Fall.

3. The licenses and the agreement must be approved by the Live Oak Court, under whose jurisdiction Mr. Coquat is acting as a Receiver.

4. The deal must have your entire approval from a legal point of view, as it is clearly understood that we are not to give up any legal rights which we may now hold.

To show this arrangement we have drawn up first of all a certain "Supplemental Agreement—Hartford-Empire Company and Three Rivers Glass Company", and we have also drawn up licenses and leases for the three feeders, the two lehrs, the two stackers and the conveyor, and I am sending them under separate cover.

Would you be good enough to go over these contracts and this Supplemental Agreement and make any changes if you deem them advisable?

In matters of this kind we ordinarily have the agreements signed and then returned to Hartford, but if, before approval of the various Courts can be secured, it is necessary that they be signed on behalf of Hartford-Empire Company, I hereby authorize you to do so.

You will notice that in these agreements are included licenses and leases covering the use of the two stackers and the one conveyor. As you recollect, these were not included in the suit when first brought as you and I concluded that their inclusion might endanger our position from an anti-trust point of view.

However, I explained to Mr. Coquat that these two stackers and the conveyor must be under license and lease and the period of their use was to be the same as that of their other machinery. I don't believe he liked this but there wasn't [fol. 61463] very much he could do about it.

You may or may not know about this following bit of information—After Mr. Coquat left us the last time, he went to Washington and saw Mr. Garner on various matters. In the course of his conversation the question of the Three Rivers Glass Company and our refusal to give a license came up. Mr. Garner suggesting that he see Mr. Connelly, your Senator, regarding this, and Coquat did so.

Connelly took him over to the Department of Justice where he saw Hayes (I think that is the name) the chief

of the anti-trust division. Hayes evidently knew about this Company and referred to a large file about us. I believe, however, that this was the file of the case of *Federal Trade Commission* v. *Thatcher Manufacturing Company* which arose by reason of Thatcher having bought up all the milk business in the United States. In that we were concerned only as licensors.

I am not sure whether the Department of Justice has any more information on us than this. In any event, we considered it advisable, not so much from a straight legal point of view, as from the general business situation, to tread warily.

Coquat seems to be much more of a business man than Tips was. It may be that there is a place for a small glass factory in that part of the country and that he can make money from it. If he can not, and royalties begin falling off the way they have in the past we should like to be able to exercise all the legal rights which we may have obtained by reason of the Decree.

Consequently, we want you to take such steps as are necessary—so far as you can now forsee them—to assure our rights for the future.

If there is any question about any part of this entire matter I suggest that you get in touch with me by telephone.

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A T. Safford, Jr.
RLB

[fol. 61464] GOVERNMENT EXHIBIT No. 1800

Friday, June 16, 1933.

Three Rivers Glass Company, Three Rivers, Texas.

GENTLEMEN:

As agreed during our meeting at Hartford last Monday, June 12th, one condition under which we would be prepared to grant Three Rivers a temporary license during the term of Receivership was that we have with you a complete written understanding relating to the restriction contained in your license against the manufacture of the domestic (household) fruit jar.

In Schedule C of each of your license and Lease Agreements under item 2, Packers Ware, you are permitted to manufacture bottles and jars to be sold for the purpose of being filled with certain food and food condiment products. As stated under this division of your ware field, you are not permitted to manufacture and sell jars for domestic (household) packing, a further definition of such jars being contained under Exclusions, item (h). This definition of a fruit jar is very complete, simple, and self explanatory.

It is understood, therefore, that it will be the policy of the Three Rivers Company to respect fully this contractual exclusion to the end that no jars will be manufactured by Three Rivers and sold directly or indirectly into the household preserving trade.

There are three definite methods by which Three Rivers can accomplish this control of the sale of its jars, namely,

[fol. 61465] (1) No jars will be sold by Three Rivers to packers who shall, after purchasing such jars from Three Rivers, sell them empty either directly or indirectly into the domestic (household) preserving trade.

(2) Three Rivers will not sell jars to jobbers or merchants unless such jobbers or merchants agree that such jars will not be sold empty into the domestic (household) preserving trade.

(3) That all salesmen and dealers in Three Rivers' jars be instructed in Three Rivers' policy and held absolutely responsible for maintaining this policy.

There are many practices followed by jobbers and merchants which enable them to buy jars ostensibly for packing purposes, and in turn sell them empty to the domestic (household) preserving trade. Often jars with a Mason finish are bought without caps for this purpose, the jobber in turn purchasing from a separate source Mason caps or other suitable caps and attaching them to the jars, so that the jar thus completed may be sold as a fruit jar. This practice has led to many disagreeable situations. The only way to avoid it is for a company and its salesmen to know that jars sold to jobbers and merchants are not handled in this manner.

We have found in a number of instances that officers of a glass manufacturing concern will wink at this practice

and that, as a result, a salesman not only sells jars with the knowledge that they will go into the domestic (household) packing trade but even suggests ways and means to the jobber and merchant by which this can be accomplished.

During our discussion at Hartford your attitude toward this particular matter was satisfactory, and it is merely a matter of setting up a policy for your company and controlling that policy throughout your sales force and customers.

[fols. 61466-61467] One of our licensees in order to fully live up to its license restrictions in this respect has not only demanded absolute conformity with its policy by the salesmen but, further, has circularized its entire trade to the effect that any jars sold are not to be used for domestic (household) packing.

It is understood, of course, that if a jar is sold to a packer or a jobber and is actually filled with a product before it is sold to the consumer, then any secondary use to which it might be put by the housewife will not be construed to call such a jar a "fruit jar".

In other words, all jars sold by Three Rivers must be sold for the purpose of being actually filled with a product before the jar can reach its ultimate consumer.

Very truly yours, Hartford-Empire Company, ——
——, Secretary. Three Rivers, Texas, June —, 1933.

Concurred: Henderson Coquat, Receiver for Three Rivers Glass Co.

(Here follows 1 photolithograph side folio 61468)

14316A

GOVERNMENT EXHIBIT No. 1802

BY DIRECT WIRE FROM

802

WESTERN UNION

CLASS OF SERVICE

This is a full-rate Telegram or Cable-gram unless its deferred character is indicated by a suitable sign above or preceding the address.

SIGNS

DL = Day Letter
NM = Night Message
NL = Night Letter
LCO = Deferred Cable
NLT = Cable Night Letter
WLT = Week-End Letter

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

HD4 19 COLLECT=SANANTONIO TEX JUNE 26 1933 940A

1-1-52

A T SAFFORD, JUNIOR SECRETARY=

CARE HARTFORD EMPIRE CO=

[illegible] Coquat [illegible] Co. Ltd. [illegible] money, [illegible] behalf [illegible] out of agreement [illegible] National Domestics Co. Ltd.

A. T. Safford, Jr. Secretary.

COQUAT SIGNED LETTER RE DOMESTIC FRUIT JAR RIGHTS STOP ALL PAPERS SIGNED BY COQUAT AND MAILED YOU SATURDAY=

S S SEARCY.11:07A.

THE QUICKEST, SUREST AND SAFEST WAY TO SEND MONEY IS BY TELEGRAPH OR CABLE

61468

[fol. 61469] GOVERNMENT EXHIBIT No. 1803

July 26, 1934.

S. S. Searcy, Attorney-at-Law, San Antonio, Texas.

DEAR MR. SEARCY:

Thank you very much for the check for $1,135.80 from Three Rivers Glass Company.

Mr. Coquat was here yesterday and I will try to give you a resume of all the matters discussed, so that you will be as fully in touch with the situation as we are.

1. Mr. Coquat is very definitely trying to sell the plant as a going business to Ball Brothers. It is a little difficult to figure out what his price is but I think it is somewhere between $150,000 and $200,000. We arrive at this figure in this way—

He has outstanding receivership liabilities of about $121,000. To this would be added about $40,000 for the bondholders. He also hopes to get a certain sum more which can be applied against the claims of the pre-receivership creditors. He personally believes the business to be worth $250,000, but we feel that he is too high. The plant itself is not worth that much, and for some big glass company wanting to establish in Texas it would probably be cheaper to build a new plant in a location somewhat more favorable. On the other hand, undoubtedly Coquat has built up quite a large goodwill on behalf of Three Rivers Glass Company, and if the Company could be run by a Texan it probably has the values that Coquat is asking for it.

[fol. 61470] He has seen Mr. George Ball in Chicago the day before yesterday and was going to see him again today at Muncie. I sincerely hope the deal can be made.

2. Mr. Coquat said the greatest obstacle to his plans for disposing of the plant was Mr. Tips. He said that Mr. Tips still had the ability to convince some of the stockholders that the golden picture lay ahead and could swing a sufficiently large following to be an obstacle to his plans. He wanted to know if we would write him a letter saying that we had read over Tips' latest scheme for giving common stock to creditors and write to him—Coquat—a letter saying that we would not license Tips under any circumstances.

I told Mr. Coquat that we would get up a letter in somewhat this form and send it to you. If there was an actual need for this letter in presenting this case to the Court then he was to get this letter from you. We don't want to just give it to Mr. Coquat because we feel if the chance to sell goes through it might be ammunition in the hands of Tips or for the Department of Justice. I will prepare and send you this letter within a few days.

3. Coquat is a curious individual. More or less indirectly we learn that on this present trip East, on the basis of a possible sale of the going business to Ball Brothers, he hoped to be able to sell his gas company to the United Gas Company. Also, he made known his desires to no longer be Mayor of Three Rivers and move to Austin where his children would be in the University. In other words, if this Ball deal goes through, Three Rivers probably won't see anything more of Henderson Coquat. Personally, we feel he has done a good job by the Town and has done more than most individuals could have done under the circumstances.

4. We tried to take him to task for sales of domestic fruit jars which had been reported to us from different sources. In each case he said he was selling to packers, and in this respect was probably correct. The weakness of this position is apparently that knowing the definite re-
[fol. 61471] quirements of the packers he shipped almost double the number of jars to them, realizing that these jars would probably get into the regular domestic fruit jar channels. For the clearest case we had against him, however, he had an explanation which I felt would easily stand up in the event of any suit against him for violation of the license.

5. It is quite apparent that Coquat is doing nothing more than holding his own. Writing down his various current assets as they should be written down shows that Three Rivers Glass Company, even under the receivership's operation, is practically insolvent. I figured that on the basis of the report he rendered to the Court in May 1933 the ratio of his current assets to current liabilities was about 1.2. At the present time, even taking into consideration the operations of the past 60 days, which he claims to have been tremendously profitable, his ratio is not much better than 1.3, giving him the benefit of the doubt.

Apparently, money can not be made by the Three Rivers Glass Company. It may be its location—that is probably the primary difficulty. In spite of it, however, I think that a concern who really knew the glass business, particularly if they were part of a larger organization, could have a profitable operation there at Three Rivers. I don't believe that Coquat can.

6. Now as to our attitude in the matter. We do not want to have Three Rivers continue on the present basis. It is not fair to our other licensees and it is a bad situation all around. On the other hand, we do not want to entangle Coquat's deal by revoking the license at the present time. Therefore, we are going to keep very closely in touch with the Ball deal, and if that is going to fail I think we will revoke at once. The only danger about this attitude is that the Balls sometimes move very slowly, but we will do what we can to keep the affair going as fast as possible. As I said above, if the Balls will take over the Three Rivers business a lot of difficult problems will be saved all around.

[fol. 61472] 7. I gather that Coquat is unwilling to merely have the bonds sold and then have a foreclosure. I gather if this happens he will do his best to block the arrangement, and I gathered from what he says he is quite confident that the Judge of the Court which appointed him will back him up. I think his reason for taking this attitude is his gas company in Three Rivers. The price at which he can sell it is dependent somewhat upon there being a going concern using the gas in the Town, and if there is a *a* foreclosure and sale and the plant is shut down for a period, the gas company won't look as good a proposition to the people to whom he is trying to sell it as if there was a live glass company in operation.

Mr. Coquat gave most of the above information in the strictest confidence, so I am sure that you will use your customary discretion in keeping these matters entirely to yourself.

I gather that from what you said at our meeting at St. Louis that if we attempt to revoke, the Court which appointed Coquat will probably not make an order during recess to permit us to have our machinery back. If it will not do so, then our next move is, the licenses having been revoked, to go into the Federal Court and ask for an in-

junction to stop their use. The thing which interests me at the present is what would be your best guess as to the time it might take to have the machinery stopped.

With kindest personal regards, I am,

Very truly yours, Hartford-Empire Company, ——
——, Secretary

A. T. Safford, Jr., RLB.

P. S. In commenting upon the unpaid royalty account, our records showed that no payments had been made for January and February royalties. Mr. Coquat, on the other [fol. 61473] hand, said he had given you a check for royalties up to March 1st, immediately after I had telegraphed him on July 10th. As we had received no word from you, I took the liberty of telegraphing you in regard to this check.

When Coquat said that he had given you the check immediately after July 10th his statement was exact, if approximately a week or ten days constitutes immediate. It is this type of slight deviation from the actual facts that sometimes causes us considerable concern about Coquat, but I am quite firmly convinced that the man is fundamentally honest.

[fol. 61474] GOVERNMENT EXHIBIT No. 1804

October 10th, 1934.

S. S. Searcy, Attorney-at-Law, San Antonio, Texas.

DEAR MR. SEARCY:

Mr. George Ball indicated to us over the telephone this morning that they had pretty nearly made up their minds not to go ahead with the Three Rivers matter.

Consequently, I have today sent formal notice to Mr. Coquat of our exercise of our right to revoke their feeder and lehr licenses and leases. Copy of the communication is enclosed herewith.

As you will notice, this includes only the feeders and the lehrs, and we have not included the two stackers and the one conveyor that are likewise licensed to Three Rivers Glass Company.

As you may see from a copy of our standard Conveyor or Stacker License and Lease, which, I believe, you have,

our only ground of revocation is "in case the leased machinery shall at any time be used by the Licensee for the handling of glassware into, upon or in connection with any lehr or other glass annealing machinery not then controlled under license from the Licensor, then in such case the Licensor reserves the right in its option to revoke and cancel this License and Lease." Theoretically, therefore, we have no right to cancel this License and Lease until such time as this machinery is used with equipment other than ours.

Also, this particular provision is that type of covenant branded as a tying clause by the courts and is specifically [fol. 61475] forbidden by Section 3 of the Clayton Act if its tendency is to lessen competition or to create a monopoly. Therefore, Colonel Brown and myself considered it expedient not to include in this formal notice of revocation of the feeders and of the lehrs any mention of the two stackers and the conveyor.

We thought, however, that unless you hear from Mr. Coquat or we do, you should call up Mr. Coquat and ask him what his attitude is going to be, whether he is going to return our machinery or whether he is going to fight its return. I thought that at that time you could ask him if he would be good enough to return the two stackers and the conveyor at the same time as he returns the other machinery.

As the enclosed letter indicates, the unpaid royalty account is now approximately $12,500, and we do not believe, in fairness to ourselves or to our other licensees, that this situation can continue.

With kindest personal regards, I am

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A. T. Safford, Jr.
RLB
Enc.

[fol. 61476] GOVERNMENT EXHIBIT No. 1805

October 13, 1934.

S. S. Searcy, Attorney-at-Law, San Antonio, Texas.

Re: Three Rivers Glass Company

DEAR MR. SEARCY:

I enclose herewith a letter from Mr. Charles R. Tips as President of Three Rivers Glass Company, which we re-

ceived today, and also enclose a copy of our answer to his letter.

We, of course, are not interested in working out any plan of reorganization, and our only desire is to secure, if possible, return of our machinery. We do not see how there can ever be any profitable operation of Three Rivers under the direction of the Three Rivers' interests.

The thing most important to us is to have complete knowledge of what is going on among Tips and his associates, so we would appreciate your spending the time and effort to keep us informed of their activities.

If possible, we should like to know the total amount of the claims now outstanding against Three Rivers Glass Company, and would also like to know the amount of some of the principal claims.

I don't know whether this would appear from the petition which has been filed or whether it would appear from any statements filed in the Live Oak Court by Mr. Coquat.

Mr. Coquat might be of assistance, but I am afraid that [fol. 61477] the Balls not purchasing the plant will cause him to side with Mr. Tips. Personally, I think it is too bad that Mr. Coquat has his Gas Company to look out for as well as the Glass Company. It makes the situation exceedingly complicated and prevents him, I believe, from using his best judgment in regard to the desirability of operating the glass plant.

We should particularly like to know, if possible, whether Mr. Tips has made a formal request for a loan from the R. F. C., and also before what Board this request will be handled. It is my thought that it would be handled before some Texas regional board rather than at Washington.

Do you believe it would be proper to attempt to appear before the R. F. C. and oppose the granting of any further loans? Personally, I think any further money put in there would be just throwing good money after bad.

In this connection we have this of interest from our own experience. There was a bankrupt concern out in the Middle West who wanted to start up again and asked for a loan from the Federal Reserve Bank of the Chicago District. One of the members of that Board being in the glass industry and knowing of the license situation, made it a condition that we agree to grant a license before the loan should be granted. As we saw no expectation that the bankrupt concern would ever be able to make any money we declined to

give a license, and, so far as we know, the loan was not granted.

If you think I can be of any assistance to you as representing Hartford-Empire Company I should be only too glad to come down to San Antonio or meet you at some convenient point.

The main thing is to keep in touch with what is going on.

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A. T. Safford, Jr.
RLB
Enc.

[fol. 61478] GOVERNMENT EXHIBIT No. 1806

June 4, 1935.

S. S. Searcy, Attorney-at-Law, San Antonio, Texas.

DEAR MR. SEARCY:

Thank you very much for your telegram of June 3rd with reference to Three Rivers.

Your statement that we could not proceed in the Federal Court until after the State Court had ruled on your motion —June 13th—accords with my ideas, but my people wished me to make this as a suggestion to you.

We shall be glad to see Tips any time. It appears, however, that there will probably be more of our people in Hartford next week, that is, the week beginning June 10th, than any time during this present week.

It is difficult for us to see our way clear in this matter, but we have already lost so much money as a result of the Three Rivers' operation and Tips' crowd have proved to be so thoroughly unreliable in the past that we can't get up very much enthusiasm for starting in all over again with them. It is difficult to see why the situation will be any better now than it has been for the past five years.

As you remember, when we licensed Coquat we made a great point about his not producing fruit jars for the domestic trade. Of course, he claimed that he had no way of telling where the jars were going, but so many jars were sold that finally got into the domestic trade that we are quite confident that he did not attempt to act in accordance with the contract.

[fol. 61479] This is a matter of considerable importance to us, because we gave exclusive rights to Ball Brothers for domestic (household) fruit jars and they are very careful in policing their rights. It is from them we got the information that Tips' contemplated operation called for packers jars to go ultimately into the fruit jar field.

We are quite convinced, therefore, that if we can do anything at all with Three Rivers Glass Company, the so-called "Mason" or "G" finish which is used for both packers and domestic fruit jars must be excluded. In other words, because of our experiences with them in the past in using the packers finish for the fruit jar trade, we shall have to cut them out of the packers field completely, so far as this particular type of finish and seal is concerned.

If the arrangement could be made, I should think it would be very good if Chamberlain could come up with Tips, particularly if they want to get anywhere with our people.

We have absolutely no confidence at all in Tips. Chamberlain, I believe, is high-grade, but does not know anything about the glass business, and if he came with Tips he might see that our attitude is not wholly mistaken.

Very truly yours, Hartford-Empire Company, ——
——, Secretary.

A. T. Safford, Jr.
RLB

[fol. 61480] GOVERNMENT EXHIBIT No. 1807

Conference In Re Macbeth-Evans Company

March 6, 1931.

Conference at Hartford between Messrs. Goodwin Smith, Knox Smith, George D. Macbeth and Messrs Eldred and Safford.

1. Mr. Macbeth's main purpose is to secure our consent to a change in the present fields of ware. He wants to provide that the exclusion as to high quality glasses shall be changed,

(a) So as to omit any limit on the amount of boric oxide, and,

(b) To change the specification as to the coefficient of expansion from .000006 to .000005.

2. He states that he does not intend to use this for baking dishes or cooking ware or insulators. His purpose is to use these high quality glasses for tumblers, especially in connection with soda glasses which have to be sterilized between their use by customers.

3. We said that if he could get Corning to agree to such a change we would also consent to it; that the matter really rests entirely with Corning and we have no particular interest in restricting Macbeth.

4. He also wants the right to make paste mold tumblers, as he has now only the right to make iron mold tumblers. All these changes are suggested by him in connection with the machine of his which our men are working on and which is to be fed by our feeders.

It is his intention to grant exclusive rights on that machine to Corning for bulbs in exchange for the rights on glass compositions above referred to.

[fol. 61481] He also said that he would like to get the right to make bulbs of special types on the said machine. We said we would not have any objection if he could get such a right from Corning.

5. He proposes to negotiate with Hocking and Federal in this whole matter with a view to protecting the tumbler business and he wants us to refrain from giving out any paste mold tumbler rights until he has done this and has worked out his machine.

We agreed that we would not give any such rights out on paste mold tumblers without consulting with him.

6. He also suggested that he might want to buy out the Libbey Glass Company.

7. He also suggested that the Bartlett-Collins Company of Sapulpa, Oklahoma, wants a license to make tumblers (hot mold, I think). He thinks their tumbler production is less than his and does not see how they would interfere with the Eastern factories.

Knox Smith.

HKS:RLB

[fol. 61482] GOVERNMENT EXHIBIT No. 1808

Hartford-Empire Company, Hartford, Conn.

Office of the President

November 29, 1935.

Mr. H. C. Mandeville, Thatcher Mfg. Co., Elmira, N. Y.

DEAR MR. MANDEVILLE:

I have just read a copy of a letter sent you by Mr. Parham in regard to your Nagle lehr, which letter speaks for itself, and it is concurred in by the rest of our attorneys.

Sometime in the near future, when you are going to be in New York, will you let me know so that we can discuss the matter.

Another question has arisen between your representatives and our representatives about which you and I must come to a definite understanding.

Your good people apparently take the attitude that when a bottle has a milk finish it is a milk bottle regardless of its use. This contention, of course, is contrary to our whole licensing policy and reaches the fundamental basis upon which fields of ware are defined in all our license and lease agreements.

Styles of finish and shapes of bottles continually change and it is only by the use for which the bottle is sold that we are able to conduct this business on an intelligent basis and upon a basis where manufacturers stay within their own classification.

There would seem to be no justification for your opinion that mushroom spawn bottles, oil dispensing bottles and orange juice bottles should be reported or come under the head of milk bottles. These particular bottles should carry the standard single feeder royalty rate.

If you will refer to the Owens catalogue you will notice that they advertise a cheese jar of a rather distinctive type with a milk finish. The Owens people agree with us that these jars should be reported as cheese jars and not milks and that they should take the standard single feeder rate. Likewise the Owens people would not think of reporting orange juice bottles or mushroom spawn bottles as part of their milk production.

[fol. 61483] We recognize that where a sour cream or other style of milk or cream bottle is at times used by the

dairy for cheese, you can not specifically differentiate in your production reports between milks and these cheese jars. Therefore we agree that you may report such ware as milks.

However, where the cheese jar is of distinctive type, then it should be reported as a cheese jar and would, as in the case of mushroom spawn, oil dispensing, or orange juice bottles, carry the std. single feeder rates.

I hope you will not think us arbitrary in this matter, as we are not approaching it with any idea that we might collect a few dollars more or a few dollars less. We are approaching it solely with the idea that all our licensees must be treated alike and that we could not grant your company special privileges, and especially so when what you ask for strikes at the fundamentals of our entire licensing policy.

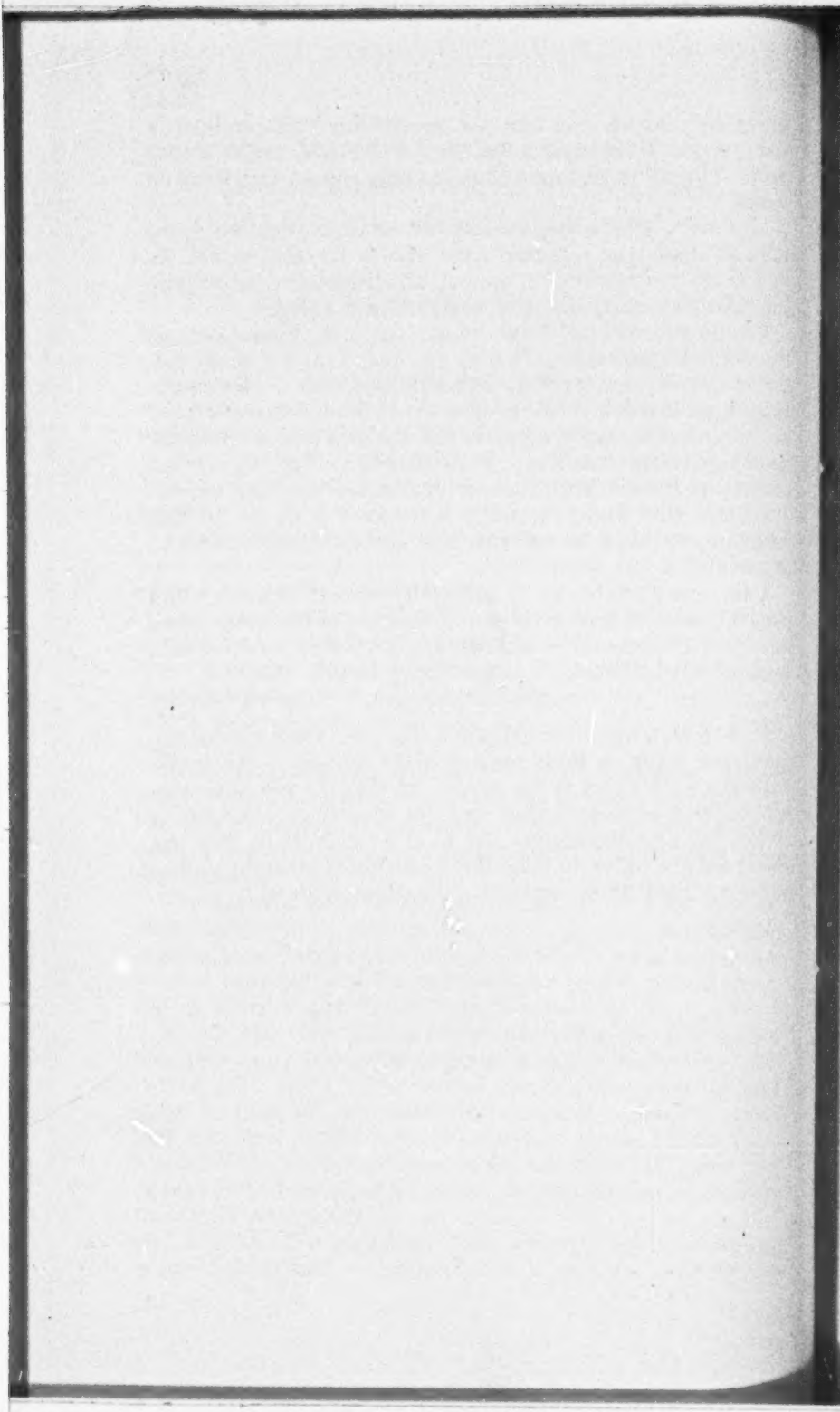
I know that you personally will agree with me on this question, as it is a far too reaching one for all concerned to toy with.

I am now planning to be in New York next Thursday and possibly half of next Friday. If you are going to be there on either of these days and can spare me any time I would be most glad to have the opportunity to talk with you.

Sincerely yours, F. Goodwin Smith.

P. S. I find, upon investigation, that the Owens sales department mark on their factory order whenever the bottle with the milk finish is for chese. If they do not have this information of course they can not give it on the factory order, but they themselves like to be as definite as they can about this in order to keep their own costs straight and in order to fulfill their contract obligations with us.

FGS-C



GOVERNMENT EXHIBIT No. 1809

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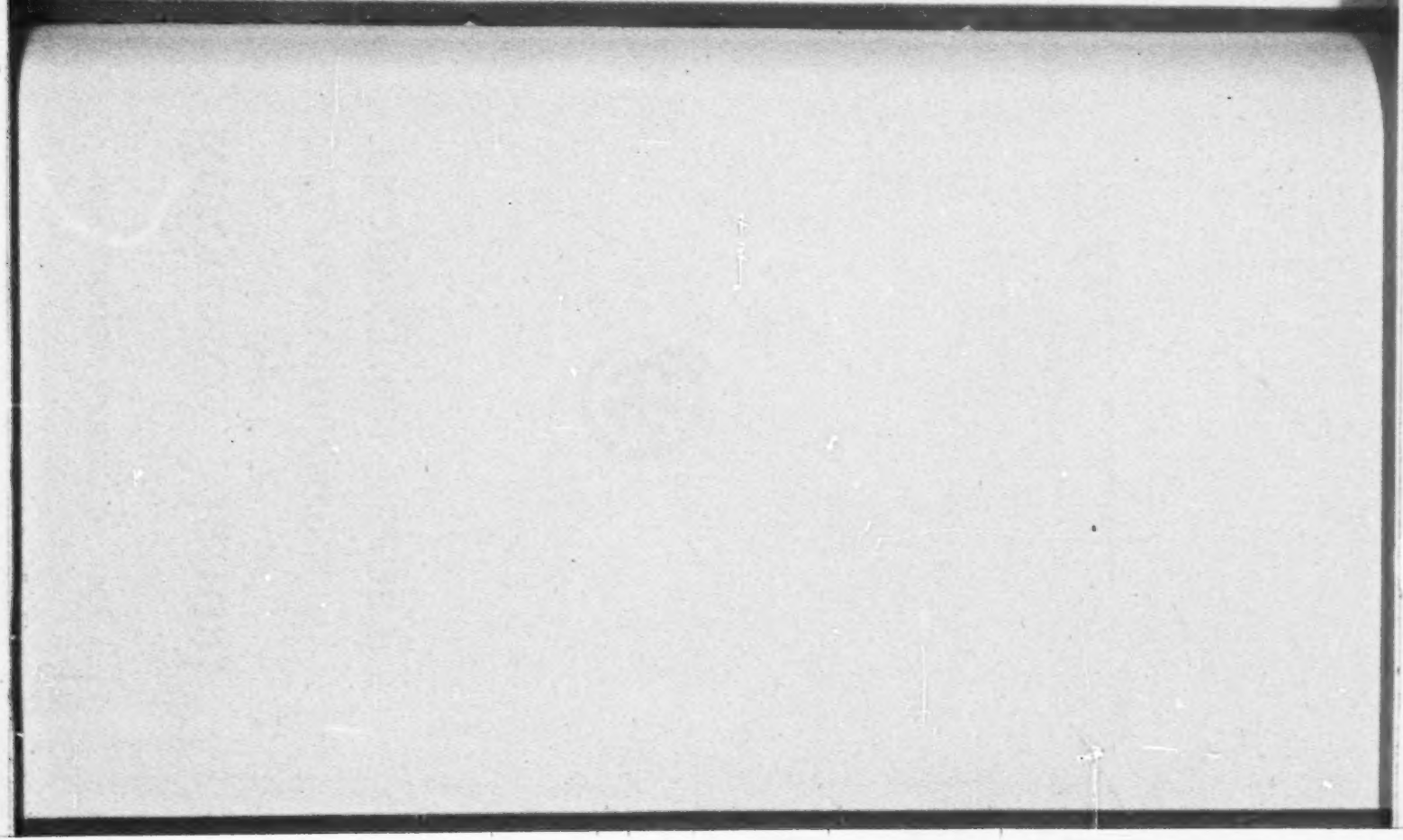
Reference Manual

HARTFORD-EMPIRE
PRODUCTION REPORT



Compliments of the Hartford-Empire Company

61484



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Reference Manual

Hartford-Empire
PRODUCTION REPORT



Hartford-Empire Company
Hartford, Connecticut

1935

61485

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Instructions for the use of Feeder Production Report

Forms 57-H and 57-J
(Kindly Type All Reports if Practical)

GENERAL INSTRUCTIONS
(Read Carefully)

Send to Hartford one copy (original only) of 57-H, and one copy (carbon only) of 57-J.

Where an I.S. machine is used send an additional carbon of 57-H.

Use separate sheets for each feeder and when more than one sheet is needed for a feeder, show the totals on the second sheet only with the first sheet attached to it.

Send reports to Hartford regularly each week for each feeder whether operating or not.

It is important that reports for the last week (or portion of week) of the month reach Hartford by the 10th of the following month.

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Items on the Form

2 **Week Ending**—Reports should be dated as of Saturday of the week covered. When the month does not end on Saturday, use two sheets for the week.

Example: The month may end on Wednesday. Send one report covering the first half of the week and dated as of Wednesday. Send another report covering the balance of the week and dated as of Saturday.

3 **Feeder Type** and **Feeder No.**—Same as on feeder number plate.

4 **Tank Designation**—Your own, such as "1", "2", or "B", "C".

5 **Glass Color**—Color of glass worked during period reported.

6 **Reporting of Jobs—List each job separately** in all columns across the form in the order in which they were run.

7 **Ware Type**—Use ware type abbreviations shown at the bottom of the form. In selecting the "ware type" to which any article belongs, the determining factor is the use to which the article is to be put, or the contents which will be packed in it. (See "Explanation of Ware Types—page 13.)

8 **Name of Ware**—Give names such as Mayonnaise, Mustard, Coco-Cola, Percolator Top, Insulator, etc.

9 **Mold Number**—Give your mold number or job number.

10 **Finish**—Use abbreviation shown at bottom of form indicating Narrow Neck, Wide Mouth, or Special Article.

11 Note: **Special articles** include all articles which do not have a finish, such as: tableware, electrical ware, etc. Tumblers are classified as Wide Mouth and are not included in this group.

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12 **Process**—Use abbreviations shown at bottom of form indicating whether article was made on a Blow, Press and Blow, or Press machine, or on a Paste Mold machine.

13 **Weight and Capacity**—should be shown in ounces

14 **Feeder Speed**—Give the number of pieces per minute being fed by the feeder.

15 **Speed Change**—If speed is changed during a single job run, show a computed average speed.

Example: A job runs a total of 108 hours. The speed for 24 hours is 25 per minute and is then changed to 27 per minute and runs at this speed for the remaining 84 hours. The average speed for the entire run is 26.5 per minute.

This result may be arrived at as follows:

Possible pieces in 24 hours at 25 per minute = 36,000
Possible pieces in 84 hours at 27 per minute = 136,080

Possible pieces in 108 hours = 172,080
Divide 172,080 by 6,480 minutes (108 hours) and obtain the average speed for the 108 hours run = 26.5.
Note: Adding the two speeds together and dividing by 2 would not give a true average

16 **Machine Make and Model**—indicate as follows:
Lynch LA, Ed. Miller MS, O'Neil 48, Hartford I.S.
Clear abbreviations may be used if necessary. When any Hartford machine is used it is important that the serial number be shown as on the machine number plate.
Example: I.S. No. 41.

17 **Number of Machines Served**—Indicate the number of machines being served by the feeder during each job run.

18 **Number of Blow Molds Used on Machine**—Indicate the combined number of blow molds actually in use on all jobs on the machine at the time of the job being recorded.

19 **Number of Blow Molds Used on Job**—Record the number of blow molds used on each job. When this varies during a run, insert "V" for variable in this column.

Note: When more than one machine is fed by a feeder at the same time show the Total Number of Blow Molds Used on both machines, and the Total Number of Blow Molds of both machines used on each job.

ATTEMPTED TIME

20 **Definition**—Attempted Time is the elapsed time between the end of the previous job and the end of the job being recorded. It includes the time required for taking off molds from the old job, putting on new molds, changing orifice ring, making feeder and machine adjustments, warming up molds, and all downtime during run. (Record Attempted Time in Hours to the nearest 10th.)

It is important that this definition be understood thoroughly for upon it depends the accurate reporting of the entire form. It is the basis of all production studies made from these reports.

21 On **Monday morning starts**, after a Sunday shut-down, the Attempted Time on all feeders being operated will begin when the first good ware enters the Lehr. At all other times when **no job precedes the job recorded**, the Attempted Time will begin when the feeder is started on the present job.

Method of Recording Special Cases

22 1. **In a mixed run where the number of blow molds on each job is unchanged during the run.**

When two or more jobs are run on one machine at the same time, and the number of blow molds on each job remains unchanged throughout the run, the above definition of Attempted Time will be applied as follows:
The Attempted Time for each job will depend on the number of molds used on each job.

Example: Three different jobs are run together for 4 days or 96 hours on a machine having 6 blow molds. One job is on three molds, the second is on 2 molds, and the

10

third on 1 mold. The Attempted Time on each of the three jobs may be found as follows:

	Attempted Time
3 mold job is on 3/6 of 96 hours =	48 hours
2 mold job is on 2/6 of 96 hours =	32 hours
1 mold job is on 1/6 of 96 hours =	16 Hours
Total Attempted Time =	96 hours

This checks by adding the Attempted Times for each job and arriving at 96 hours which is the length of time the jobs were on the machine.

20 **2. In a mixed run where the number of blow molds on each job is changed during the run.**

When two or more jobs are run on one machine at the same time, and the number of blow molds on any one or all of the jobs changes during the run, the definition of attempted time will apply as follows:

The Attempted Time for each job will depend on the number of molds used on each job and the length of time each job is run with any given number of molds.

Example: Two jobs are run for 6 days or 144 hours on one machine having 4 blow molds. No. 1 job runs on 3 molds for 96 hours on 2 molds for 48 hours. No. 2 job runs on 1 mold for 96 hours and on 2 molds for 48 hours. The attempted time for each of the jobs may be found as follows:

No. 1 Job	Attempted Time
3 molds for 3/4 of 96 hours =	72 hours
2 molds for 2/4 of 48 hours =	24 hours
Total Attempted Time =	96 hours

No. 2 Job

1 mold for 1/4 of 96 hours = 24 hours
2 molds for 2/4 of 48 hours = 24 hours

Total Attempted Time = 48 hours
Total Attempted Time for Week = 144 hours

This answer may be checked by adding together the Attempted Times for each job. The total should be 144 hours.

24 3. **In a mixed run where each of the jobs does not begin and end at the same time as the other jobs in the mixed run.**

The foregoing explanation in paragraph No. 2 above, will apply and the procedure will be the same as in the following example:

In a 6 day week (144 hours) the following jobs are run on a 4-mold machine.

Job No. 1 starts the week on all 4 molds and runs for 72 hours (3 days). It then runs for the remaining 72 hours on only 2 molds.

Job No. 2 runs with No. 1 for the last 72 hours on only 1 mold.

Job No. 3 also runs with No. 1 for the last 72 hours on only 1 mold.

The Attempted Time for each of the jobs may then be found as follows:

	Attempted Time
Job No. 1—On 4 molds for 4/4 of 72 hours =	72 hours
On 2 molds for 2/4 of 72 hours =	36 hours
Total Attempted Time =	108 hours
Job No. 2—On 1 mold for 1/4 of 72 hours =	18 hours
Job No. 3—On 1 mold for 1/4 of 72 hours =	18 hours
Total Attempted Time for Week =	144 hours

Again, these Attempted Time figures for each job may be checked by adding the three together. The total should be 144 hours.

4. **In those cases where only part of a machine is operating, as for example on a 6 mold machine where only 3 molds are being operated, the three molds would be considered as the unit and the preceding instructions would then be applied in particular cases.**

5. **In cases where TWO machines are operated under one feeder on the SAME job, and a change is made to ONE machine operation in the middle of the run with the feeder speed changed accordingly, the TWO MACHINE operation is considered as ONE job, and the ONE MACHINE operation as another and should be reported separately.**

Attempted Gross—this is equal to the Attempted Time multiplied by the speed and converted to gross. (Nearest twelfth.) The following formula may be used:

Feeder Speed x Attempted Time (in hours) x .4166 =Attempted Gross.

In a Mixed Run the Attempted Gross should be shown for each job.

Packed Gross—this should be shown to the nearest twelfth of a gross.

In a Mixed Run the Pack should be shown for each job.

Royalty—show rate and amount of feeder royalty for each job.

Note: Where I.S. machines are used show rate and amount of I.S. Royalty in Royalty column on the carbon copy of Form 57-H.

Totals—Total all columns in the space provided. When more than one sheet is needed for a feeder, show totals for both sheets on second sheet and fasten both together.

EXPLANATION OF H-E COMPANY WARE TYPE CLASSIFICATIONS

In selecting the "ware type" to which any article belongs, the determining factor is the use to which the article is to be put or the contents which will be packed in it.

WARE TYPES FOR CONTAINERS

32 **Prescription and Proprietary**

argyrol
capsules
castor oil
chemicals
citrate of magnesia
cod liver oil
dentifrice
druggists prescription ware
embalming fluid
essential oils
extracts for medicinal purposes
iodine
liniments
mercurochrome
mouth wash
nursers or sterilizers
peroxides
pharmaceuticals
proprietary medicines
serums
smelling salts
tablets
vaseline
witch hazel

Included, also, are all containers which, by their use, are identified with the above group, but not specifically mentioned.

33 **Beverage Pressure**

ginger ale
carbonated fruit juices
carbonated water
siphon bottles
soda

Note: This classification does not include beer, champagne, cordials, gin, whiskey or any kind of alcoholic liquor or beverage.

34 **Beers**

Includes any style of bottle used for beer, near beer, ale, porter, and all other alcoholic cereal beverages bottled under carbonation.

35 **Liquors**

benedictine
bitters
brandies
cordials
creme de menthe
gin
rum
vermouth
whiskey

Also includes all alcoholic liquors and beverages except beer, near beer, ale, porter, wines, and champagne.

36 **Beverage Non-Pressure**

This classification includes all non-carbonated waters, malted milk (liquid), chocolate milk (when not used by a dairy—regardless of style of container), all kinds of fruit juices (non-carbonated), cider, and all kinds of non-carbonated soft drinks and soft drink extracts

37 **Wines**

All kinds of wine and champagne bottles.

38 **Perfumery**

Any perfume container, i. e., a container whose content is used for fragrance only.

39 **Toilets**

bath salts
bay rum
brilliantine
cosmetics
cuticle oil
cuticle remover
deodorants
face creams
hair tonics
lotions
nail polish
pomades
sachet
shampoo
shaving cream
soaps, (not soap dispensers)
talcum powder
toilet waters

Most toilet articles are perfumed but have a use other than for fragrance and are, therefore, distinguished from the **Perfumery** ware type group.

Included, also, are all other toilet preparations not specifically mentioned but which, because of their general character, belong to this group.

40 **Foods**

anchovies
candies
catsup
caviar
celery salt
chili sauce
chop suey
coffee
cottage cheese
condiments
cruets (Packers)
crushed fruits
flavoring extracts
horse radish
jams
malted milk (dry)
maraschino cherries
marshmallow cream
mayonnaise
meats
mince meat
milk (powdered)
mushrooms
mushroom sauce
mustard
olives
onions
oyster cocktail
peanut butter
pectin
pickles
preserves
prune juice
relish
salad dressing
sea foods
shakers (Packers)
soups
spaghetti
spices
sugar
syrups
table sauces
tomato juice
vegetables
vinegars

Included are all containers used by packers for foods or food condiments except Packers Tumblers.

41 **Milk and Cream**

Included in this classification are all milk and cream bottles and jars, also liquid malted milk or chocolate milk bottles to be sold to dairies (regardless of the style of the bottle.)

Individual table cream jars (not over 3 oz. cap.) are not included in this ware type. Classify as Miscellaneous Non-Containers.

42 **Household Fruit Jars**

This group includes all wide mouth containers to be used for home preserving.

This classification does not include packers ware for packaging products, which ware can be re-used in the home for domestic purposes after the package has been emptied.

43 **Packers Tumblers**

All tumblers which are sold to packers for packaging food products.

44 **Household Jelly Tumblers**

Tumblers used only for home preserving or canning.

This classification does not include Packers Tumblers which can be re-used for household purposes when emptied of the original contents.

45 **Miscellaneous Containers**

ammonias
artists colors
bluings
cement
cleaning fluids
dyes
fire extinguishers
floor wax
glue
inks
linseed oil
lubricating oil dispensers
mucilage
mushroom spawn
paints
polishes
  furniture polish
  metal polish
  shoe polish
sewing machine oil
shellac
stain
turpentine
varnish
washing fluids

Include all other containers not here listed which cannot be classified in any one of the preceding thirteen ware types.

WARE TYPES FOR NON-CONTAINERS

46 Drinking Tumblers

Tumblers to be sold for drinking purposes only, whether made by the narrow neck, press and blow, pressing or paste mold process and including both plain and footed tumblers, but not stemware or goblets.

Whether a tumbler is a drinking tumbler or a packers tumbler is to be determined by its first use, that is, whether first sold for drinking purposes only or whether first sold to the food packer for packing food products.

47 Tableware, Kitchenware, Ovenware

Articles intended or adapted for use on the dining table, at soda fountains, or in the kitchen, but IN NO CASE FOR PACKAGING PURPOSES.

This group includes such articles as:

dishes	ovenware	shakers
goblets	plates	stemware
nappies	reamers	sugar bowls
pantry jars		sundaes

and articles of similar nature.

This classification does NOT include plain or footed tumblers.

48 Lighting and Electrical

All kinds of lighting and electrical equipment and fixtures such as:

automobile headlight lenses	lighting globes
bulbs	power insulators
cover glasses	radio antenna insulators
lantern globes	shades

telephone insulators

Also any other accessory which can be properly classed in this group.

49 **Miscellaneous Non-Containers**

This includes all articles not used for packaging which cannot be classed in any other group, such as:

ash trays
battery jars
boudoir accessories such as powder boxes
candlesticks
casters
cigar and tobacco jars
display jars for store use
floats
fish globes
flower pots and stands
individual creamers not sold to dairies (not over 3 oz. cap.)
ink wells
novelties
oil stove reservoirs
paper weights
refrigerator water bottles
soap dispensers
thermos bottles
toy marbles
toys
vases

50 **Samples**

When reporting Samples indicate ware type according to the instructions in the preceding pages. Also show weight and capacity and the number of hours of attempted time spent in sampling. In the column headed "Attempted Gross" write "Samples".